FINANCIAL TIMES

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Sweden: election year nightmare faces Government, Page 25

World news | Business summary

US, Soviet arms talks make no headway

The U.S. and the Soviet Union have not made any significant concessions which would justify a more optimistic view of the prospects of nuclear arms control talks, due to resume in Geneva at the end of this month.

This is the opinion of Western officials who followed the talks between U.S. Secretary of State George Shultz and his Soviet counterpart Andrei Gromyko.

Any hope of a quick breakthrough has been scotched by the continuing deadlock over President Ronald Reagan's star wars project. Page 3

Italian shake-up

Communists are likely to be excluded from ruling alliances in many Italian cities, including Rome, Milan and Venice, after their poor election showing. Page 3

Hostages freed

Seven prisoners in Pontevedra, northern Spain, who seized five men and threatened to kill them after an abortive escape released their hostages and returned to their cells.

Cyprus compromise

Cypriot President Spyros Kyprianou, trying to stem growing opposition to his leadership, proposed a compromise that would bind him to accept majority views or resign. The proposals would allow Greek-Cypriot political parties a greater say in decision-making.

New Zealand lashed

Violent winds tore the roofs off houses in New Zealand and coastal residents fled towering seas as storms lashed the country.

Sri Lanka toll rises

Assailants, believed to be Tamil guerrillas, killed 48 people passengers on a ferry in northern Sri Lanka. The raid came a day after 145 civilians were killed by Tamil guerrillas, fighting for a separate state in the northern part of the country.

U.S. cities dearer

Lagos is the most expensive city for business travellers, a survey showed, but dollar strength has pushed many U.S. cities high up the list.

Peking doctors call

Chinese doctors have been encouraged to open private practices, make house calls and provide after-hours services to help to overcome a shortage of doctors. Page 4

Peru holds 1,000

More than 1,000 people were arrested in Lima, capital of Peru, after two policemen were killed by Maoist Sendero Luminoso guerrillas.

EEC aid plan

European Commission approved a plan for increased political and economic co-operation with Central America. The proposal comes shortly after the imposition of U.S. economic sanctions on Nicaragua and underlines the opposition of most EEC countries to the measures. Page 5

Cairo protest

Egyptian riot police used electrified batons to disperse several hundred demonstrators who burned the Israeli flag outside the Cairo synagogue while Egyptian and Israeli officials met to negotiate over a border dispute. Page 4

Beirut kidnap

Armed men in Beirut kidnapped a senior Irish United Nations official in Moslem-controlled west Beirut, bundling him into a car.

Everton win Cup

Everton of the UK beat Rapid Vienna of Austria 3-1 to win football's European Cup Winners' Cup.

Austrians win Soviet contract

VOEST-ALPINE, Austrian state-owned steel, engineering and electronics group, won a contract worth Sch 30bn ($1.39bn) to supply basic steel materials to the Soviet Union. Page 6

WALL STREET: By 3m the Dow Jones industrial average was down 0.88 at 1,272.42. Section III

DOLLAR recovered a little in London, rising to DM 3.077 (DM 3.0425), SwFr 2.5785 (SwFr 2.565), FFr 9.385 (FFr 9.3) and Y251.0 (Y249.55). On Bank of England figures the dollar's index rose to 145.4 from 144.9. Page 49

STERLING lost a cent against the stronger dollar in London to $1.2835. It also fell to SwFr 3.28 (SwFr 3.285), FFr 11.825 (FFr 11.835) and Y317.0 (Y318.0) but rose to DM 3.8875 (DM 3.8775). The pound's exchange index fell 0.1 to 79.1. Page 49

GOLD fell $3.75 on the London bullion market to $323.25. It was also lower in Zurich at $322.65. In New York the Comex June settlement was $323.90. Page 48

TOKYO: Blue chip stocks came under heavy selling pressure and the Nikkei-Dow market average slumped 146.17 to 12,388.03 on an increased turnover of 398m shares. A forecast that leading semiconductor makers would return lover combined annual earnings sonsored the selling, which encompassed a bread range of stocks. Section III

LONDON equities traded higher as institutional buyers returned. The FT Ordinary index firmed 10.0 to 1,022.3, just below its all-time high. Late weakness appeared among gilts. Section III

YUGOSLAVIA warned that it may have to cut back on consumer goods imports or see its foreign reserves fall further.

FRANCE intends to pre-pay part of a $1.24bn loan contracted with the EEC in 1983. Page 3

WEST GERMAN Government approved draft legislation for the introduction of what will amount to the equivalent of Britain's unlisted securities market. Page 3

COMMERZBANK, West German bank, said its profits for the first four months of 1985 were markedly higher than for a third of 1984 and that after some years in the doldrums it was making progress on a broad front. Page 27

FORD UK blamed over-capacity and fiercely competitive market conditions throughout Europe for a £14m ($17.6m) operating loss in 1984, the first since 1971. Page 7

BRONFMAN brothers Edgar and Charles, controllers with their two sisters of the Canadian Seagram distilling empire, dropped plans to create a new class of share with 10 votes to protect their interests.

DAIMLER BENZ, West German motor group, overcame the last obstacle to its takeover of the Dornier aerospace company when it reached agreement with Claudius Dornier under which he will retain a 20 per cent stake. Page 27

ITALCEMENTI, the biggest Italian cement group, controlled by the Pesenti family's Italmobiliare holding group, lifted net profits 24.8 per cent to L26.2bn ($13.4m). Page 27

NOVO, Danish manufacturer of insulin and enzymes, recovered strongly in the first quarter, pushing net profits up 13.9 per cent to DKr 180m ($16.4m). Page 27

BHP, the Australian group, is to press ahead with development of its Jabiru oilfield in the Timor Sea despite disappointment at the extent of proven reserves. Page 29

UNIT TRUST PRICES: The second stage in the expansion of our unit trust prices service is contained in today's issue. This covers the insurance sector. The third and last – the authorised bonds – appears tomorrow.

U.S. output decline and prime cut puts pressure on Fed

BY PAUL TAYLOR IN NEW YORK AND STEWART FLEMING IN WASHINGTON

PRESSURE on the U.S. Federal Reserve Board to ease monetary policy mounted yesterday when signs of renewed weakness in the American economy emerged and by a major New York banking group decided to cut its prime rate by half a percentage point to 10 per cent.

The move to a lower bank prime rate was led by Bankers Trust, the seventh largest U.S. banking group, and coincided with Federal Reserve Board figures showing that industrial production in the U.S. in April had fallen back to levels last seen in June 1984.

Expectations of the interest rate cut also were fuelled by hopes of federal Government budget cuts for 1986. The House of Representatives budget committee yesterday started work on a budget resolution after the Democratic majority had reached agreement on a $56bn cut.

The budget deficit for 1985 was expected to be $213bn and for 1986 was forecast at $230bn.

The prime rate reduction, effective today, is the first by a major U.S. bank since mid-January and takes the benchmark corporate lending rate back to its lowest level since August 1983.

President Reagan's decision to abandon the rapid growth in military spending which has been the hallmark of his Administration demonstrated again his remarkable ability to convert political defeat into apparent victory, writes Stewart Fleming. His abrupt U-turn has improved the prospects of Congress delivering a hefty package of budget cuts by September. Analysis, Page 5

The cut in part reflects a decline in bank funding costs over the past few weeks, together with a recent sharp widening in the gap between bank commercial lending rates and the cost of funds to corporate borrowers in other markets, such as the booming commercial paper market, where rates have dropped by around 40 basis points in the past month.

Mr Brian Fabbri, of Salomon Brothers, said: "The banks have been trying to hold onto their wide margins for as long as possible. With a discount rate cut now viewed by many senior Wall Street economists as increasingly likely, Mr Fabbri contends that banks had little choice but to cut lending rated if they are to maintain loan volumes.

"The mood of the markets is to overwhelmingly think there will be a discount rate cut together with a funds rate reduction," he said.

Over the past month the three-month Treasury bill rate has fallen by 70 basis points, while the three-month bank CD rate has dropped by over 50 basis points.

Mr William Griggs, of Griggs and Santow, said yesterday that the interest rates decline puts pressure on the Fed to ease monetary policy or runthe risk of renewed rise in rates of expectations are not fulfilled.

In the wake of the Bankers Trust move, which was matched by several other small banks, U.S. short-

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Money markets, Page 49

UK bank to scrutinise BL's future strategy

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

BARINGS, the UK merchant bank has been asked by the British Department of Trade and Industry to prepare an urgent report on the BL corporate plan and on the scope for its further privatisation.

This follows lengthy wrangling between the government and the company over the future investment plans of Austin Rover, its volume car subsidiary. The department questions many of BL's assumptions and has sought to cut £250m ($315m) from Austin Rover's £1.8bn plans.

The merchant bank has been asked to look at the company's proposal and the government's choices broadly in relation to its retention as an adviser to the department on "matters relating to the privatisation of BL."

The hope in Whitehall is still that decisions can be taken within the next fortnight or so and that a statement can be made to the House of Commons shortly after the Whitsun recess ends in early June.

There have been lengthy discussions within the Government over the decision, with advisers to Mrs Margaret Thatcher, the Prime Minister, pressing for an even sharper cut in proposed investment and earlier privatisation than envisaged by the department or the company.

This debate has held up not only approval of the five-year corporate plan, which was submitted last December, but also confirmation of a collaborative agreement with Honda of Japan on the sub-contracting of BL's underused production lines.

The whole question of future investment by Austin Rover in particular the development of a new engine and gearbox for the Metro replacement, has become highly political, the Labour party and the trade unions have argued that what is at issue is the future of an independent British car industry.

Moreover a number of Conservative MPs from the Midlands are also worried that further delay in approving the plan will cause serious damage to Austin Rover.

Mr Harold Miller, Conservative MP for Bromsgrove, and joint chairman of the all-party commons Motor Industry Group said earlier

Mrs Margaret Thatcher

this week that the resignation of a senior Austin Rover executive last week and rumours about more resignations are making all concerned wonder what the Government has in store for Austin Rover.

Nissan to buy European components, Page 26

Zanussi's $51m loss wipes out capital

BY ALAN FRIEDMAN IN MILAN

ZANUSSI, the Italian home appliance maker, lost L100bn ($51m) in 1984, practically wiping out its newly subscribed capital base of L104bn. It lost L41bn in 1983.

Sweden's Electrolux, which took over Zanussi last year, is planning to ask other shareholders such as Fiat and Mediobanca to subscribe to a new capital injection, probably of about L100bn.

The situation at Zanussi remains extremely serious, according to the company. This is not only a result of the company's financial situation, but also a function of heavy trade union resistance to recently announced plans to lay off 4,848 of the group's 18,882 workers over the next three years.

Zanussi said yesterday that a crisis meeting would be held in Rome next Thursday at the Ministry of Industry. Zanussi said that it hoped to "make the unions understand" that there was no alternative to the redundancies, which in any case would not be immediate.

"If there is no accord with the unions in the next two weeks, however, we will go ahead with our measures anyway," a Zanussi official said yesterday.

Last year's losses, on turnover of about L1,760bn, resulted in large part from foreign exchange losses related to the company's dollar debt. The terms of Electrolux's entry late last year included a conversion of all foreign debt to Lira debt and a rescheduling by Italian bank creditors of the L1,000bn total indebtedness.

Zanussi was also hit by heavy debt servicing charges on its debt before rescheduling. It also made heavy provisions on several subsidiaries which were closed or sold off.

Olivetti buys 49% of Munich computer chain

By Our Milan Correspondent

OLIVETTI, Italy's leading maker of office automation equipment, is to pay DM 4.5m ($1.5m) for 49 per cent of Start Computer of Munich, a West German retail chain. The acquisition is a key step in Olivetti's plan to develop a Europe-wide retail network for personal computers.

Olivetti already owns 31.6 per cent of the 60-shop Tabs retail network in the UK and 55 per cent of the 100-outlet Bit Shop chain in Italy.

In an interview last week Sig Carlo de Benedetti, Olivetti chairman, said the group was also hoping to establish a retail network in France. He said the total initial investment in developing a European retail network consisting of a few hundred shops would be in the region of $5m to $8m.

In West Germany the purchase of

Continued on Page 26

Allied and Signal to merge in shares and cash deal

By Terry Dodsworth and Paul Taylor in New York

ALLIED CORPORATION and Signal Companies, two of the largest industrial conglomerates in the U.S. are to merge in a deal which will create a diversified industrial giant with annual sales of about $16bn and profits of about $800m.

Mr Edward Hennessy, chairman of Allied and one of the leading takeover tacticians in the U.S., announced the merger proposals. He said that his company had been attracted by Signal's "great" technology in the aerospace, automotive and electronic fields.

He said the merger would create "an advanced-technology company which we believe will be a powerhouse."

The proposed merger will combine two companies with a wide range of products, including chemicals, process equipment, videotape recorders and ball bearings. It will put it among the top eight manufacturing groups in the U.S.

However, the logic of the deal is centred on Signal's Garrett Aero Engine Division, which accounts for about $2.5bn of its $7bn sales and will mesh with Allied's own military and civil aerospace division, which had sales last year of $1.8bn out of total turnover of $10.7bn.

Mr Hennessy will be chairman and chief executive of the new company to be called Allied Signal. He played a leading role in the expansion of United Technologies in the 1970s as one of its senior executives and in 1982 carried out Allied's takeover of Bendix after one of the most acrimonious bid battles on record.

Signal, based in California, has also been noted for its aggressive takeover activity in recent years, having acquired Wheelabrator-Frye, a worldwide engineering and manufacturing group in March 1983. Susbsequently, Signal has embarked upon a major reorganisation programme.

Agreement on the merger proposals was reached yesterday morning after share dealings in the two companies had been suspended on the New York Stock Exchange. Signal's shares, which have been particularly strong in the past few days on takeover speculation, closed at $39⅞ on Monday after moving up from $34⅞ at the end of last week but fell by $1¼ on the resumption of trading to $38½. Allied's shares, suspended at $43⅞, fell by $2⅞ to $41.

The terms of the agreement call for Allied to acquire 20 per cent, or 22m shares, in Signal at $45 a share, or $990m in cash. Allied recently disposed of half of its Union Texas petroleum division

Bonn changes tack on EEC cereal prices

BY IVO DAWNAY IN BRUSSELS AND PETER BRUCE IN BONN

WEST GERMANY yesterday backed down on its refusal to agree any cuts in EEC cereals prices, but insisted that such a move must be accompanied by compensation for farmers.

The turnround came after Herr Ignaz Kiechle, the West German Farm Minister, returned form consultations in Bonn with his Cabinet colleagues. In a markedly more conciliatory opening address to the resumed EEC farm ministers' meeting, Herr Kiechle insisted that his threat to veto substantial grains price cuts had not been withdrawn.

But his tone suggested that Bonn is now anxious to pursue a negotiated settlement that will avoid any vote. Such an outcome would face Germany with the dilemma of whether or not to use the veto – a course it has desperately struggled to avoid as it conflicts directly with its long-stated support of majority voting in Community decisions.

Herr Kiechle's terms for a cereals price cut will nevertheless be hard to meet without conflicting with the efforts of the European Commission and other strong advocates of farm price restraint such as Britain to achieve a substantial reduction.

He indicated Germany could not sanction a price cut of more than 1 per cent, and would also require concessions on milk proposals. The Italian presidency and several other ministers are clearly growing increasingly impatient with the German stand, and there were several attempts last night to pin Herr Kiechle down on the veto question.

Mr Frans Andriessen

Sig Filippo Pandolfi, the Italian Farm Minister, made clear last night that he is determined to conclude negotiations on the 1985-86 EEC farm prices package this week. That may ultimately still involve a highly controversial vote.

The events of yesterday, which began with firm backing for Herr Kiechle from Bonn, have led to deepening scepticism over the continued German veto threat. The German minister himself in his

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EEC may extend steel curbs, Proposal for information technology standards, Page 26

Brazil likely to seek new overseas loans

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRAZIL IS likely to seek new international loans this year following a projected $1.4bn shortfall in receipts from the International Monetary Fund and the World Bank.

The Government's revised expectations have been revealed by Sr Francisco Dornelles, Finance Minister, whose estimate of IMF receipts is now $400m and not the $1.4bn foreseen before the suspension of the IMF's lending programme in February.

Coupled with a possible $400m shortfall in forecast receipts from the World Bank, the drop in revenues will sharpen the anticipated deterioration in the country's current account deficit.

This pressure is bound to force the Government to consider looking for fresh loans from overseas. Brazil's current account deficit is projected at $2.3bn, rising to $3.7bn if the decline in receipts from the IMF and the World Bank is not made up, either by the institutions themselves or other sources.

In revising its estimates of IMF receipts, the Brazilian Government is signalling that it expects its negotiations with the IMF on a new standby loan to be both long and difficult. IMF money is not expected before the last quarter, and although some "front loading" might be possible, it would not be enough fully to make good the shortfall.

World Bank payments to Brazil are expected to fall to about $800m-900m this year, compared with re-

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Warning on investment curbs, Page 5

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Turkey-IMF effort to reach stand-by accord abandoned

BY DAVID BARCHARD

TURKEY AND the International Monetary Fund have abandoned attempts to seek a new stand-by agreement for 1985-86 after two months of talks. Negotiations are expected to resume in the late summer and will presumably focus on the prospects for 1986.

Turkey's last one-year stand-by agreement with the IMF expired early last month. Though stand-by assistance, around $225m last year, is no longer important to the country's overall balance of payments position, there must be some disquiet at the apparent rift with the Fund.

Since 1980, Mr Turgut Ozal, the Turkish Prime Minister, has emerged as a dutiful disciple of the Fund's policies and Turkey has been regarded as something of a test case for IMF programmes. Now, it seems that Mr Ozal and the Fund have fallen out, as many other governments have done, in a dispute over the need for growth.

The Fund is believed to have pressed Turkey to take immediate measures to cut its budget deficit and to lower its growth targets in order to help improve the current account balance.

Last year there was a budget deficit of TL 9,000bn (£14bn), the equivalent of 5 per cent of gross national product. Turkey believes that measures already taken will reduce this to 1 per cent of GNP this year and so help bring down inflation. At 53 per cent in 1984, this was double target levels.

The current account was $1.4bn (£1.1bn) in deficit last year and is likely to run at a comparable level in 1985.

The Government believes that high growth rates are needed to prevent Turkey's social problems, notably a 2.3 per cent birthrate and 20 per cent unemployment, getting out of hand.

However, despite 4.7 per cent gross national product growth last year, inflation was approximately double target levels at 53 per cent.

Demirel man to lead party

BY DAVID BARCHARD

THE FORMER Istanbul chief of the dissolved Justice Party, and a key lieutenant of the ex-Prime Minister, Mr Suleyman Demirel, has been elected as chairman of the centre-right True Path Party.

Mr Husamettin Cindoruk replaces Mr Yildirim Avci who led the party since its establishment in 1983 and fought off a challenge from Mr Mehmet Yazar who resigned from the powerful chairmanship of the Union of Chambers of Commerce and Industry to contest the leadership.

He won 626 votes against 262 for Mr Yazar. The election is seen as a success for Mr Demirel who controls the party from behind the scenes and hopes to make a political comeback, despite being banned by the military from returning to public life before 1992.

Mubarak on historic state visit to Ankara

By David Barchard

PRESIDENT Hosni Mubarak of Egypt arrived in Ankara yesterday on the first visit to Turkey by an Egyptian head of state for 70 years.

The visit sets the seal on three years of efforts by both countries to overcome their traditional rivalry. It will keenly interest the U.S. which has long been prodding Turkey to switch from its friendship with radical Arab states, such as Libya, and line up with other Western allies in the region.

Both countries maintain diplomatic links with Israel and receive considerable U.S. aid. Since 1979, Turkey has replaced Iran as the U.S.'s closest military and strategic partner in the region, though it has consistently tried to remain on good terms with all Middle Eastern countries.

President Mubarak is being given the full red carpet treatment by the Turks, but the immediate results of the visit are likely to be confined to greater economic and cultural co-operation. Turkey's economy is substantially more advanced than Egypt's and there have been several minor Turkish investments in Egyptian industry.

The two countries are likely to co-operate closely in Islamic forums from now on. In 1984, Turkey played an important part in getting Egypt re-admitted to the Islamic Conference — something the Egyptians have not forgotten.

The Gulf War and efforts to end it are expected to be discussed during the talks, with Egypt perhaps privately asking Turkey to step up economic assistance to Iraq.

Patrick Cockburn explains Moscow's difficulties in providing goods people want to buy

Price of success is eternal subsidies

FACTORIES in the centre of the Soviet Union have a unique method of disposing of poor quality goods that nobody wants to buy.

The goods are sent north to the Arctic regions during the brief summer period when the ice melts and they can be shipped to settlements accessible by boat.

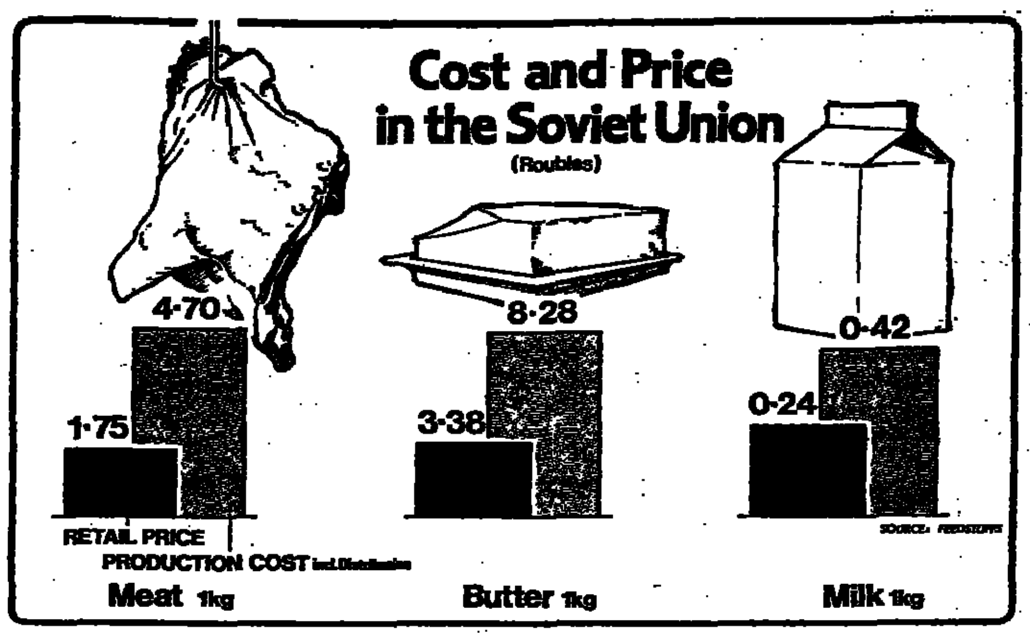
Even in these isolated villages the goods normally remain unsold. But the shops cannot return them to the suppliers because, by this time, the sea has frozen over again. Factory managers can thus claim that they have met their production targets.

The example is extreme, but it does illustrate some of the perils facing the consumer in the Soviet retail system. Mr Mikhail Gorbachev, the new Soviet leader, has repeatedly said that the quality of consumer and capital goods must be raised.

"How does it happen that one factory puts out an old-fashioned product of low technical quality consumer goods that do not respond to what the public wants, yet still goes on as normal and sometimes even thrives?" he asked a meeting of industrial and agricultural managers in Moscow last month.

He plans to improve matters by making individual plants and enterprises more responsive to the needs of their customers. Managers, workers and farmers are to see real financial rewards for gains in productivity and the output of quality goods.

But getting products of the right quality and quantity is not merely a question of more money and better organisation. The problem is intimately linked to the prices charged in the shops. If the consumer wants goods of better quality, he or she will have to pay more, economic logic would suggest.



The state is already burdened by the cost of heavy subsidies for basic commodities. Meat, eggs and milk are subsidised at a cost of 40bn roubles (£40bn) a year.

In some respects the present problem is a consequence of the success of the past policy to provide for people's basic needs almost free. Staple foodstuffs, accommodation, transport, education, health, gas and electricity have all been very cheap or free for several decades.

Rent for state housing is on average 3 per cent of individual income, a kilo of meat in a shop costs two roubles (£2) and it is possible to go anywhere on the Moscow metro for five kopecks (5p).

This contrasts with the high prices charged for cars, or for goods of purportedly superior quality. In the farmers' markets, for instance, where prices are not controlled, a good cut of meat costs eight roubles a kilo. Three tulips cost four roubles.

The problem with this two-tier system is that real incomes have risen sharply over the past 15 years. Cash wages rose by 150 per cent between 1965 and 1980. Savings in the banks between 1975 and 1983 almost doubled to 187bn roubles.

The result is that even a more efficient agricultural system would have difficulty in satisfying the growing demand for the cheap subsidised products. Farmers have a major incentive to cultivate their private plots, growing produce for which they can command exorbitant prices, rather than to put more effort into the state farms on which they work.

"Even though deliveries of meat to the cities increased from 5.3m tons in 1965 to 10.3m tons in 1980, this did not cover the growth in demand," lamented Mr V. Tikhonov, a senior agricultural economist recently.

The inability to meet the growth in demand over the past 20 years is shown not only by the very high prices on the free market for better quality goods but by the rapid growth of the black market.

The black market expanded rapidly during the 1970s and early 1980s, and now meets much of the demand for services. A survey shows that 38 per cent of petrol purchased by private motorists is bought cheaply on the black market.

In some areas the black market is expensive—the need to pay doctors for quality medical care which is supposed to be free is resented by ordinary people. Official attacks on "indiscipline and corruption" by Mr Gorbachev, echoing a theme of his predecessor Mr Yuri Andropov, evoke popular approval.

A comprehensive programme for the improvement of consumer services has been drawn up and will stand alongside the food and energy programmes as a priority for investment. It is unlikely, however, that the price of basic goods will be changed because of the state's political commitment to its citizens.

Higher prices are instead likely to be associated with the shift towards better quality products, because such goods cannot be produced unless the suppliers see higher rewards.

Last summer an experimental agrarian and industrial enterprise, called Kuban, combining farms, factories and shops was set up in Krasnodar in the south.

Its annual sales are estimated to be 365m roubles. Part of its output goes to the state at existing purchase prices and the rest is sold through its own retail shops at prices decided by the Kuban company.

The company has to meet its own production costs without subsidies, so its prices are higher than those in the state shops. But the Kuban shops have eight different types of sausage meat, cheap hams and other meat products found nowhere else in Krasnodar.

Departments and ministries in Moscow at first tried to instruct Kuban on the types and quantities of products it was to grow or manufacture and the prices at which they were to be sold. Other ministries tried to sequester part of the company's equipment, says the managing director.

But Kuban retained its independence and the pricing structure it uses is likely to become increasingly common in the Soviet Union. "Our work will be judged only by the quality and quantity of goods we place in the shops," says the manager of this new enterprise.

Hellenic Shipyards sale talks hang in balance

BY ANDRIANA IERODIACONOU IN ATHENS

THE SAGA of whether Greece's Socialist Government will buy Hellenic Shipyards, the yard owned by shipping magnate Stavros Niarchos which closed in April because of financial losses and chronic strike problems, entered a new chapter this week. Each side is giving different accounts of where negotiations stand now that the May 14 deadline has expired without agreement.

Mr Gerassimos Arsenis, the Economy and Finance Minister, said yesterday that the two sides have agreed to extend the negotiations, giving the yards' management time to supply more information on its finances, and the Government a chance to assess this information.

Hellenic Shipyards, on the other hand, say negotiations are off unless the Government accepts the price of $14m set in April. They say that the state-controlled Hellenic Industrial Development Bank, which is leading the negotiations for the government, considers the price too high, that the yards' financial position is less rosy than suggested. It wants more facts and figures before making a decision.

However Hellenic Shipyards have offered to extend the deadline for the conclusion of overall negotiations until mid-June if the Government agrees to the $14m price.

The advantage for the Government would be that any signing of the deal would be done after elections on June 2. The Socialists cannot afford politically to be seen to be hesitating over buying Hellenic Shipyards, because the company is one of Greece's largest single industrial employers, were the yards to close 4,700 jobs would be lost. On the other hand, the Government is loth to pay $14m just to buy the problem of turning the yards' performance around. Losses total some $42m in the past three years.

According to the company, the yards' net worth is $100m, while long term debts total $20m, about 60 per cent of which are in foreign currency.

Helenic Shipyards is happy to obtain a commitment on the to use the Government's dilema price but would be satisfied to postpone final agreement on the sale until after the election, which is expected to be a close contest between the Socialists and the Conservatives.

If the latter win the company's hope would be to be able to proceed with the sacking of about 2,000 workers which is thought to be essential if the yards are to survive.

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Phillips plans safeguards as oil field sinks

By Fay Gjester in Oslo

A PLAN to safeguard personnel and installations on Norway's Ekofisk oil and gas field, where the seabed is subsiding, has been submitted to the Norwegian authorities by Phillips Petroleum, the field's operator. It may have come too late, however, to prevent intermittent, costly production shutdowns.

Emergency measures are needed because extracting from the reservoir has lowered the seabed, bringing platform decks closer to the sea and increasing the chances of flooding.

Phillips' plan is based on the assumption that the field is still sinking—at the rate of about 50 cm a year. However, this is a "worst case" assumption, not so far proven.

The company will not say exactly what steps are envisaged, but evacuation of parts of the platforms during storms is almost certainly one of them.

Another is reinjection of the field's own associated gas, or even bought from other North Sea producers, to slow the subsidence, and rebuilding of platform decks.

The Norwegian Petroleum Directorate is understood to believe that the seabed is subsiding by at least half a metre annually, and that periodic shutdowns will be virtually unavoidable.

EUROPEAN NEWS

Vienna meeting fails to boost hopes for arms talks

BY ROBERT MAUTHNER AND PATRICK BLUM IN VIENNA

NEITHER the Soviet Union nor the U.S. have made any significant concessions which would justify a more optimistic view of the prospects of the nuclear arms control talks, due to resume in Geneva at the end of this month.

That, in broad terms, was the opinion of Western officials, following the bilateral talks in Vienna on Tuesday between Mr George Shultz, U.S. Secretary of State, and Mr Andrei Gromyko, his Soviet counterpart.

The U.S. and Soviet foreign ministers had another unscheduled discussion yesterday lasting 10 minutes, following official celebrations of the 30th anniversary of the Austrian state treaty which gave Austria its independence 10 years after the end of the Second World War. Nothing was revealed, however, about the subject matter of their brief discussions, from which Mr Shultz emerged smiling and relaxed.

The foreign ministers of the other four Nato countries attending the ceremonies – Britain, France, West Germany and Italy – were given a confidential briefing yesterday by Mr Shultz on the outcome of his talks with Mr Gromyko.

What has emerged from the various bilateral and multilateral meetings of the past two days is the assessment by Western officials that the Geneva arms control talks are still expected to be "a very long haul."

Certainly, any hope of a quick breakthrough has been scotched by the continuing deadlock over President Ronald Reagan's Strategic Defence Initiative (SDI), popularly known as the star wars project.

The Soviet's persistence in linking progress towards the reduction of long-range and medium-range offensive nuclear missiles with the abandonment by the U.S. of SDI, is matched by Washington's stubborn intention to develop a space-based defensive system, however much opposition this may provoke from Moscow.

There were indications yesterday that Mr Shultz and Mr Gromyko were planning to meet again on August 1 at Helsinki on the occasion of the 20th anniversary of the agreement setting up the European Conference on Security and Co-operation.

However, a meeting between the U.S. and Soviet ministers is still dependent on a formal decision on the level at which the Helsinki commemorations are to be held.

By the beginning of August it should be clearer whether progress at the Geneva arms control talks and the Ottawa conference on human rights has been substantial enough to allow a summit meeting to be held with some chance of success between President Reagan and Mr Mikhail Gorbachev, the Soviet leader.

France to repay part of EEC loan early

By David Housego in Paris

FRANCE intends to repay early part of a $1.24bn loan contracted with the EEC in 1983.

The Government wants to defuse opposition criticism of the sharp increase in foreign debt under the Socialists and encourage confidence in the franc and its own managing of the economy.

M Pierre Beregovoy, the Finance Minister, described the move as reflecting "the current health of the franc and the improvement in the foreign exchange reserves.

It coincided, however, with the release of provisional consumer price figures for April showing inflation over the first four months of the year is still running at a higher rate than the Government's target. Consumer prices rose by 0.7 per cent in April giving a cumulative increase for the first four months of 2.5 per cent.

The $1.24bn Eurocredit formed a part of the Ecu 4bn ($3.7bn) that France raised with the Community in May 1983 to boost the foreign exchange reserves after the March devaluation of the franc.

It carried a coupon of ⅜ per cent above Libor with a maturity of seven years. The capital was repayable after three years

M Beregovoy said yesterday that the amount to be repaid had yet to be negotiated with the Community but officials indicated that it would be sizeable.

Apart from political motives, the pre-payment is in line with the government's policy of encouraging public sector enterprises to refinance costly high interest debt. The Government has itself also largely liquidated the estimated $2bn borrowed from Saudi Arabia in 1982.

France's outstanding medium and long term debt rose from FFr 187bn at the end of 1981 to FFr 525bn at the end of last year.

Swedish inflation rate set to rise

BY DAVID BROWN IN STOCKHOLM

SWEDEN'S decision to tighten monetary policy will push the annual inflation rate above its previous high for the year – 8.1 per cent at the end of March – by the end of this month, Statistics Sweden (SW) warned.

A Government-imposed general price freeze succeeded in slowing the growth in consumer prices in April, but the annual rate still stands at 7.9 per cent.

The central bank's decision to boost the discount rate by two points to 11.5 per cent, which has given Sweden virtually the highest interest rates in the whole of Europe, will add a further 1 per cent to the index, irrespective of other price developments, the SCB forecasts.

It now appears certain that the Government, which faces stiff opposition in the general elections this September, will fail to bring the inflation rate to its 3 per cent target by year's end.

The stock market plunged to its lowest level this year to close at 471.5 on the Veckans Affare index yesterday. Some SKr 10bn ($1.1bn) have been wiped off the value of the market since Monday. Money market rates eased slightly yesterday, and the krona steadied against its currency basket.

Mr Olle Lindgren, chief economist at Skandinaviska Enskilda Banken, Sweden's largest commercial bank, said that the Riksbanken's interest rate move would have little impact on the country's underlying economic problems.

He called for quick moves to cut the budget deficit – through a reduction in transfer payments to local authorities and lower subsidies – as well as strong steps to make the public sector more effective.

The administration has moved to postpone budget outlays of some SKr 1bn as part of its crisis programme to dampen private consumption.

The Communist Party, whose votes are necessary to ensure parliamentary passage of the emergency measures, warned yesterday that it has not yet decided whether it will support the package.

Among other things, it must study the impact of interest rate increases on the lower-paid and unemployed, said Mr Bertil Maabrink, the party whip.

Meanwhile, there was little hope of an early resolution to the two-week civil servants' strike and lock-out, which has severed all domestic and international air traffic and badly disrupted Swedish trade.

● The Swedish state railway (SJ) was able to restore some export freight service yesterday when the striking TCO-S union allowed some customs officers to return to work. An overtime ban however remains in effect.

Early this week, the SJ's entire fleet of railway cars loaded with cargo was frozen at the borders.

Meanwhile, a six-man committee, which is divided equally between government and union representatives and is empowered to limit or stop the strike, could not reach agreement on a request by the employers to end the customs strike on the basis of its "damage to society."

Yugoslavia pursues EEC loan

By Aleksandar Lebl in Belgrade

YUGOSLAVIA hopes that the EEC Council of Ministers will revise its position regarding the financial protocol with Yugoslavia and accept the EEC Commission proposed mandate for negotiations.

At their last meeting ministers rejected the proposal that Yugoslavia be given Ecu 400m ($292m) European investment bank (EIB) loans during the five year period to 1989 and an additional Ecu 60m from the EEC budget to subsidise interest rates on those loans.

The main opponents of that proposal, strongly advocated by M Claude Cheyson, Commissioner in charge of the Mediterranean, were West Germany, Britain and the Netherlands.

Under the first financial protocol, in effect for the last five years, Yugoslavia got from the EIB Ecu 200m plus an additional Ecu 60m, all used for infrastructure projects, like highway construction, railway modernisation and construction of a power transmission grid.

Taking into account inflation, the Ecu 200m would amount to Ecu 280-300m now. Those against the Commission's proposals would like the amount of loans over the next five years not to exceed that, but are especially against the precedent-setting aid from the Community budget. An attempt to reach a compromise by Italy at the last council meeting under which Yugoslavia would receive Ecu 350m from the EIB and Ecu 40m from the budget also failed.

Bonn plans unlisted securities market

BY RUPERT CORNWELL IN BONN

THE WEST GERMAN Government has carried its intended rejuvenation of the country's stock markets a stage further, by approving draft legislation for the introduction of what will amount to the equivalent of Britain's unlisted securities market.

The measure, ratified by the cabinet yesterday, is expected to go before Parliament after the summer break. Its prime purpose is to encourage small and medium sized companies, hitherto scared off by the high fees and exhaustive regulations of the official market, to turn to the stock markets to raise fresh funds.

The proposed Bill aims to tackle these problems by cutting the charges demanded of market hopefuls, reducing sharply the details currently demanded in prospectuses for listing on the main market, and lowering the minimum amounts permitted to be raised.

Applicants, moreover, will be subject to less rigorous scrutiny over their past performance, and over the spread of ownership of the new shares. Unlike the official market, entrants to the geregelter Markt, as the new market will be known, need not have a bank or other credit institute to back their application, should they not wish.

Although the Government's move complies with a string of directives from the European Commission, it fits in with its broader strategy of fostering initiative and enterprise by making life easier for new, small companies.

The Finance Ministry said last night that the decision should also be seen as a contribution to the harmonisation of stock market regulations in member states of the Community, and towards the creation of a genuinely integrated EEC capital market.

Of more direct concern, however, will be the effect of the new market segment upon the already existing and less regulated geregelte Freiverkehr, or over-the-counter market, with which it may considerably overlap.

The Ministry said that the over-the-counter market would be left in place, and that it would be up to traders themselves to determine future developments. The geregelte Markt will stand somewhere between the official market, tightly controlled and in practice limited to large concerns, and the over-the-counter market.

OVERSEAS NEWS

Canberra vows to rein in spending

By Michael Thompson-Noel in Sydney

THE AUSTRALIAN Government claimed yesterday that its mini-budget on Tuesday, which outlined spending cuts of A$1.3bn (£728m) for 1985-86, had convinced observers that it was serious about reining-in expenditure.

However, there was criticism yesterday that the Government had wielded a blunt knife and sought to minimise the political cost that a major attack on spending would have entailed.

In Parliament yesterday Mr Paul Keating, the Treasurer—who faces a looming battle over tax reform—said the Government planned to reduce the public sector borrowing requirement for 1985-86 to about 6 per cent of gross domestic product from about 7 per cent.

He said that borrowing by the Federal Government in 1985-86 would be held to well under 3 per cent of GDP.

The Government has also vowed not to raise tax revenues as a share of GDP; to cut expenditure further; and to reduce the federal budget deficit to below the A$6.7bn expected in the current year.

Mr Keating and Prime Minister Bob Hawke are making a concerted effort to re-establish the Government's authority, following a series of reversals—and a wilting Australian dollar—since early February.

Apart from tax reform, the Government faces a major test at the next national wage hearing in September. Mr Keating said yesterday that the six-monthly wage hearing would proceed as scheduled. But he said that the hearing of a bonus productivity wage increase would be deferred

Aborigines stage sit-in

By Our Sydney Correspondent

AUSTRALIAN Aboriginal land rights activists staged a sit-in at the Department of Aboriginal Affairs in Canberra yesterday as part of a week of protests.

Backed by church and union representatives, Aborigines are pressing the Government to strengthen legislative plans for uniform land rights. The Government is acutely aware that the issue could bring it into conflict with the powerful mining lobby.

Sen Gareth Evans, the Resources and Energy Minister, stressed recently that there will be no veto or de facto veto over exploration or development of Aboriginal land for mining or petroleum purposes under the scheme envisaged by the Government.

But Mr James Strong, director of the Australian Mining Industry Council, said this month that the industry opposed the whole concept of federal land rights,

Stephanie Gray, recently in Lomé, reports on the Togo Government's search for foreign investment

Cash-rich Mammas turn their backs on the economy

IF GENERAL Gnassingbe Eyadema, the President of Togo, were able to tap the wealth of Lome's powerful market women, he would not have to look abroad for much of the investment needed to fund a comprehensive privatisation campaign that World Bank officials describe as unique in Africa.

The women, known as "Mammas Benz" because of their penchant for prestigious motor cars, are estimated by the central bank to be sitting, quite literally, on about $100m in cash.

They are often to be seen at the port, handing over fistfuls of money concealed about their midriffs — to pay for entire containers of the whisky and cigarettes which, along with cloth, are the mainstays of their trading activities.

A measure of the size of their business is the statistics that show that Togo, with a population of 2.8m is on paper one of the highest consumers of whisky in the world. Cigarette imports from Britain alone are estimated to be worth about £20m a month.

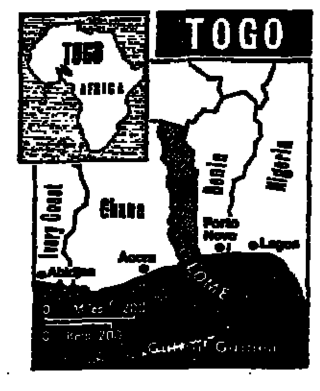
The closure of neighbouring Benin's border with Nigeria — and its market of 100m people — has taken its toll on the women's traditional "re-exporting" business and the reopening of the Ghana border last year failed to provide the bonanza that was expected.

Nevertheless, the women remain unmoved by efforts to persuade them to redirect their cash surplus towards investment in the industrial sector. Expensive cars, ownership of Lome's taxi fleet and real estate are still their main interests. Attempts to promote the use of bank accounts have also proved unsuccessful.

Largely illiterate, the Mammas Benz keep no records of their business transactions apart from the rafts of statistics lodged in their heads. For this reason, the Government also loses significant tax revenues. Any attempt at taxation, according to one international agency official, would be foolhardy because the economic power of the Mammas is such that no Togo leader could afford to dispense with their support for his regime.

With the women remaining largely outside the system, the Government is trying to entice foreign capital in to revive loss-making state industries. Officials concede that the state enterprises, established in the mid-1970s when phosphate exports were commanding high prices, have been inefficient. Some of them—the oil refinery and steel complex for example—have never been fully operational, and others have been closed.

The campaign is showing some signs of success. Togo's steel mill has been leased to a U.S. businessman and the refinery jointly to Shell, BP, Texaco and Mobil as an oil storage depot to serve all of West Africa.



President Eyadema (left): unchallenged since 1967

Suitable investors are being sought for two textile factories, the Togolese marble company, the plastics industry, a dairy product concern and Togo Route, the national transportation company. Negotiations are at an advanced stage with the French for the hiving off of the two textiles plants and with Danish interests over Soproplait, the dairy concern.

In theory, all state concerns except the phosphate mines, agricultural marketing board and utilities such as water and electricity, would be open to private investment.

Mr Yaovi Adodo, the Planning and Industry Minister, pointed to the adoption last year of a new investment code, which allows repatriation of profits and unrestricted imports of raw materials, as one of the measures being employed to attract foreign capital.

Togo's position at the heart of West Africa, its efficient port, good communications network and well-established trading links with neighbouring countries were also put up as significant attractions.

Most important is the country's political stability under President Eyadema's authoritarian rule. General Eyadema has remained in power virtually unchallenged since he took control in a coup in 1987. By contrast, Ghana has suffered 17 coups since independence and Benin, 12.

The International Monetary und and the World Bank, both of which have provided loans to help Togo restructure its economy, have fully backed the privatisation moves, along with accompanying austerity measures. The World Bank made a structural adjustment loan of $40m to Togo in 1983 and is expected to approve a further credit of $30m in June.

Unlike its Sahel neighbours, Togo is almost self-sufficient in food, but even so, the austerity measures have been bitter medicine. Hotel workers, for example, given the option of huge job losses or a 40 per cent reduction in their salaries, chose the latter. Underemployment is generally regarded as very high.

Some observers fear that World Bank and IMF support might in the end prove counter-productive, failing to stimulate any new local local investment, or extra economic activity.

In the meantime, however, prospects for foreigners, who have little interest in long-term investment, appear to be particularly good. Nothwithstanding the investment code, and proposition appears to be wide open for negotiation.

Mr John Moore, the straight-talking, poker-playing American entrepreneur who has leased the steel mill, clearly drove a hard bargain, gaining the grudging admiration of Mr Koffi Djondo, the State Enterprises Minister.

"They were very difficult negotiations," he said, with a wry smile. Mr Moore, whose last project was to make profitable a similar steel plant in Panama, has leased the Lome complex, initially for two years for $175,000. Local participation in the company he established was not a priority. After 10 years, the Government is committed to buying back the mill at its audited book value, and is to maintain a protected market for the mill's production.

In the longer term, Mr Moore sees Lome as an excellent base for similar investments in the region. Details of the oil refinery agreement which established Shell as the manager, have not been made available but they are most likely to have favoured the foreign companies.

The Government is aware, however, that foreign businessmen may be taking too high a profit as a hedge against the risk that, once the enterprise becomes successful, the pressure will be on the Government to apply more stringent conditions or even re-nationalise. Potential investors are certainly looking for higher returns than they would on a European venture for instance.

Nevertheless the Government is starting to see its industries return to production and, if its target of achieving a transfer of technology and maangement skills to the local population is met, there may well be plenty of Togolese citizens ready to step in once the foreigners have moved on.

Tthis time many of them may well be the Mammas Benz.

Peking to encourage private doctors

By Robert Thomson in Peking

CHINESE doctors were encouraged last week to open private practices, make house calls and provide after-hours services to help overcome the country's lack of qualified medical practitioners.

Doctors in the state-run hospitals can now moonlight by treating private patients after office hours and retired medical workers have permission to open practices and charge more than the state-set fee for their services.

The call by China's Health Ministry for the expansion of private practice follows tacit approval in recent years of privately-run services which were outlawed during the Cultural Revolution (1966-76).

One of the architects of the new policies is Luo Yigin, the vice director of policy research at the Health Ministry. Luo told the Financial Times that the reform of the health system was an attempt to harness the "enthusiasm of medical workers."

The "enthusiasm of medical workers" and money are closely linked.

Medical workers—who must retire at 55 for women and 60 for men—who then open their own practices will be able to earn extra money without losing their retirement subsidies. Private doctors will be able to set fees above and beyond the standard fee of 10 fen (about 3p) for a consultation.

Luo suggested that an increase in the cost of medical treatment is inevitable. The present standard charge, he said, is five times cheaper than the cost of a hair cut.

"The charge for medical services could be changed in the future because the charge is too low and it has affected the development of the health institutions," he said.

"In the past, we had the wrong idea that the lower the charge the better it was. You were really totally dependent on the Government to give you funds, so this should be reformed."

Another reform will be to give more responsibility to the state-run services which carry out the bulk of medical treatment. Each institution will be expected to reduce their dependency on government funds, and administrators will be authorised to employ, dismiss, reward and punish workers.

At present private practitioners comprise 2 per cent of all medical workers, though Luo expects this figure to rise with the new monetary incentives and the encouragement from the government.

"Before the Cultural Revolution, there were some individual services with doctors running clinics. During the Cultural Revolution all these were eliminated. Some individuals still have fears, and certain administrators will have that fear.

"The Government is encouraging an open door policy, and that fear will gradually die out."

The bigger cities tend to have more private clinics. Peking has about 600 such clinics, most run at the doctors' homes. Shanghai has about 400.

Medical graduates are offered cash incentives to practice in rural China. A doctor's average monthly wage is 70 yuan (£20) and those willing to move out of the cities can earn an extra 20 to 30 yuan a month.

There is no shortage of quacks in China. Luo said that these charlatans—many are failed medical students passing themselves off as qualified—would not be allowed to take advantage of the new situation and would be "banned."

While private practices are expected to grow, Luo cannot imagine them ever overtaking the work of the state run services which employ about 3.4m of the country's 4.2m medical personnel.

NEW CHIEF FOR AFRICAN DEVELOPMENT BANK

Fast Africa loan payment urged

BY PETER BLACKBURN RECENTLY IN BRAZZAVILLE

THE African Development Bank's newly elected president, M Babacar N'Diaye of Senegal, has called for more speedy loan payments by the bank.

M N'Diaye was elected by a large majority last week to head Africa's most important deveolpment financing institution. The election, the first in which the bank's 23 non-African member countries voted, was described by officials as one of the quickest and quietest on record.

Presidency of the bank which lends nearly $1bn (£790m) a year and whose members include 50 independent African as well as 23 non-African countries, is considered to be one of the most influential on the continent.

M N'Diaye was elected after only the second of five scheduled ballots with 63.4 per cent of the votes including both the necessary African and overall majorities.

Backed by Nigeria and the U.S., the most important of the bank's members, M N'Diaye decisively beat the present holder, Zambia's Mr Wila Mung'omba with 27.5 per cent, and M Pierre-Claver Damiba of Burkina Faso with 6.7 per cent of the votes.

M N'Diaye was recruited as assistant accounts manager at the bank in 1965 and has spent his entire career moving steadily throupgh its ranks before being appointed vice president responsible for finance in 1980.

Since then he has successfully managed a rapid expansion in bank borrowing which reached a record $738m in 1984.

M N'Diaye told a news conference that emphasis must be switched from loan commitments to payments so as to make a greater impact on economic development. "The bank should aim to improve its disbursement rate to 40 per cent or even 50 per cent from the present 33 per cent," he said. "This should be for real projects and not balance of payments," he added.

> 'Emphasis must be switched from loan commitments to payments so as to make a greater impact on development'

M N'Diaye said the bank should pay more attention to improving the quality as well as the quantity of its aid. He suggested it could provide more technical assistance, including advice for African countries seeking debt rescheduling from the Paris and London Clubs of creditors.

Preparations for another increase in the bank's capital, due to take effect in 1987, is one of the top priorities, M N'Diaye said. Proposals are due to be submitted for detailed discussion at the bank's next annual meeting to be held at Harare next May.

The capital increase will provide the resources for the bank's next five-year lending programme. The bank's capital was more than doubled to $6.3bn when the non-African countries joined in 1982 and officials are aiming for another "substantial" rise.

"We should aim to make our bank comparable with the Asian and Inter-American Development Banks in terms of resources, volume of activities and prestige," M N'Diaye said.

He confirmed that the bank is managing the $25m emergency relief fund created by the Organisation of African Unity at its summit in Addis Ababa last November. He added that the bank was contributing $2m to the fund which he hoped would soon become operational.

Although the fund would finance mainly longer term structural changes some short-term relief, mainly for the transport and distribution of food aid, would be provided, he said.

Cairo protest coincides with talks on Taba

By Tony Walker in Cairo

SCORES of demonstrators were arrested yesterday outside a synagogue in the centre of Cairo by riot police equipped with electrified batons seeking to disperse an angry crowd who burned an Israeli flag.

The incident coincided with the start of Egyptian-Israeli negotiations aimed at resolving a dispute over territory in the Sinai

The demonstrators chanted slogans, wrapped themselves in the Palestinian flag and displayed portraits of the late Egyptian president, Gamal Abdel Nasser.

The demonstration was apparently in response to articles in the Egyptian opposition press announcing there would be a memorial service marking Israeli independence day, but a spokesman for Israel's embassy said the celebration was held according to the Hebrew calendar on April 25.

Meanwhile, an Israeli spokesman described as "very satisfactory" the first session of the Arab Israeli talks. He said Egypt had rejected Israel's proposal for joint rule of the tiny Taba enclave on the Gulf of Aqaba.

Israeli anti-inflation measures flounder

BY DAVID LENNON IN TEL AVIV

ISRAEL'S attempt to curb inflation through a voluntary wages and prices agreement with the unions and employers appears to have failed as prices rose last month by a near record 19.4 per cent.

The Government now has no alternative to impose harsh and unpopular new measures and slash its spending which all commentators believe is the major cause of the country's huge inflation.

The cumulative rise in inflation in the first four months of the year was 59.8 per cent, the Central Bureau of Statistics announced yesterday. This is almost the same rise as registered in the first third of 1984 when there was no wages and prices pact.

Officials in the Treasury were shocked by the failure of the agreement to bring inflation down from the 440 per cent registered in 1984.

The Treasury had expected prices in April to rise by only 10 to 12 per cent compared to the 20.6 per cent of the same month last year. The fact that inflation last month declined by only 1 per cent led most economic commentators to declare the wage and price pacts as dead.

Mr Gad Yaacobi, the Economics Minister, said it is clear that the controls of prices were not effective. The April inflation figure was the warning signal that the Government must re-examine its economic policy and curb its spending, he said.

Mr Israel Kessar, secretary general of the powerful Histadrut Trades Union Federation, said that the fact that inflation continued to soar even though workers had accepted wage erosion demonstrated that the Government's failure to curb its deficit spending was the main cause of inflation.

The Government is now expected to slash food, fuel and transport subsidies, to impose new restrictions on luxury imports, freeze government contracts and introduce a series of new taxes and levies on education and medical care.

There is also considerable debate within the Government over a possible devaluation of the shekel and a reduction of civil servants' work to five days with a corresponding cut in salaries.

U.S. probe into nuclear installations denied

BY STEWART FLEMING IN WASHINGTON

ISRAELI diplomatic officials strongly denied yesterday that the U.S. was demanding to inspect top secret nuclear installations in order to verify how Israel is using highly sophisticated timing devices which could be used for nuclear weapons.

The officials said that the U.S. was satisfied that Israel was using the devices, known as krytons, for research and development and for conventional weapons only and not for nuclear weapon related activities. One use for krytons is to provide the precise timing necessary for nuclear explosions.

The State Department is understood to have complained to Israel that Israel has been receiving these devices between 1979 and 1983 and is believed to have put pressure on Israel to return stocks of krytons which it has accumulated.

Earlier this week Newsweek magazine reported that a Federal Grand Jury in Los Angeles is investigating whether the krytons have been smuggled out of America. U.S. policy forbids sales of krytons except under licence by the State Department and subject to case by case review.

Diplomatic officials here said yesterday that the Israeli Government has assured the U.S. that it had not re-exported any of the devices which Israel appears to have obtained outside official channels.

Commission approves plan to boost links with Central America

BY QUENTIN PEEL IN BRUSSELS

THE EUROPEAN Commission yesterday approved a plan for increased political and economic co-operation between the European Community and Central America, intended to double EEC aid to the region over five years.

The proposal put forward by M Claude Cheysson, the former French Foreign Minister who is now the commissioner responsible for relations with Latin Americsa, is controersial because for the first time it suggests an exercise involving the Community in the realms of both political co-operation—not formally a Commission responsibility—and economic assistance.

It has now to be submitted to the EEC Council of Ministers for final agreement.

The intention of the pact is to double the present level of assistance—some ECU 40m (£23.2m) a year—over the next five years.

The plan is for the Community to sign a fice-year pact with the Central American states—Costa Rica, Guatamala, Honduras, El Salvador and Panama—covering aid, trade and regular political contacts.

The proposal would grant the Central American states most favoured nation status for their exports, and special concessions on some agricultural and tropical products. It would provide for economic co-operation in the wider regional context including neighbouring South American states and the Caribbean countries already receiving EEC aid through the Lomé Convention.

The package follows the meeting by EEC foreign ministers with their Central American counterparts in San Jose, the Costa Rica capital last September.

The Community has been an enthusiastic supporter of the Contadora peace process in the region and the commission's plan is being launched as part of an effort to promote peace through greater economic development.

THE Republican-led U.S. Senate voted 89-8 yesterday to adopt a resolution designed to put pressure on the Philippine President, Mr Ferdinand Marcos, to hold free elections in his country and implement other democratic reforms, AP reports from Washington.

The resolution, sponsored by Senator John Kerry, a Democrat, is a compromise which falls short of cutting off U.S. military and economic assistance if Mr Marcos refuses to make changes in the way he governs. It does, however, declare that Congress will decide future Philippine aid requests on whether "sufficient progress" is made in releasing political prisoners, prosecuting those accused of killing Beningo Aguino, the opposition leader, and "guaranteeing free, fair and honest elections."

Latin American countries ask U.S. to lift embargo

BY HUGH O'SHAUGHNESSY

MINISTERS from 24 Latin American governments meeting in Caracas yesterday called on the U.S. to lift the trade embargo it imposed on Nicaragua last week.

Meeting under the auspices of Sela, the Latin American economic system, the 24 governments pledged themselves to counter the damage caused to the Nicaraguan economy by the embargo. A unanimous position was adopted after lengthy discussions and against the initial resistance of Nicaragua's Central American neighbours.

The Latin Americans also pledged their support for Nicaragua in the General Agreement on Tariffs and Trade (Gatt) which is to meet later this month in Geneva to discuss a Nicaraguan complaint against the U.S.

The Sela decision mirrored one taken by the 13 countries of the Caribbean Community (Caricom) at Basseterre, St Kitts, on Sunday. Mr Kennedy Simonds, the Kittitian prime minister and chairman of the Caricom meeting, said: "We believe there should be an immediate termination of sanctions and of any other activity that is likely to undermine the Contadora peace process."

Officials from the governments of the Contadora group (Mexico, Panama, Colombia and Venezuela) continued talks in Panama yesterday with representatives of the five Central American countries in an effort to resolve difficulties with the regional peace pact.

Sticking points are reported to be the verification and control o fthe inflow of arms and foreign troops into the isthmus.

In Honduras the army has started to disarm the U.S.-supported counter-revolutionaries (contras) in the border province of El Pariso.

Some 9,000 contras are reported to be based in Honduras and attacking targets in Nicaragua.

Nicaragua has denied reports in Honduras and the U.S. that its troops have crossed the border into Honduras in pursuit of "contras."

In Washington the Intelligence Committee of the House of Representatives on Tuesday voted to allow U.S. military intelligence reports to be passed to the contras to aid them in their attacks on the Nicaraguan Government.

Bangemann set to warn Brazil on investment curbs

BY ANDREW WHITLEY IN RIO DE JANEIRO

HERR MARTIN BANGEMANN, the West German Economy Minister, who arrived in Brazil yesterday on a two-day official visit, is expected to warn the Brazilian government about the adverse consequences for foreign investment if the fashion for "market reserves" for nationally-owned companies is not checked.

West Germany is the second largest investor in Brazil after the U.S. and most leading German manufacturers have Brazilian subsidiaries. Sao Paulo is often said to have a higher concentration of German industry than any single West German city.

So-called market reserves have been spreading in recent years pushed by nationalist industrialists with the tacit support of the Government.

Investment restrictions began on oil production but also affect data processing and telecommunications and other related high technology sectors. They are threatening to spread to pharmaceuticals and fine chemicals, where multinationals hold dominant market shares.

West German officials say the problem has become more critical over the past year in view of the sharp cutback in Brazilian imports of manufactured and semi-manufactured goods and the adoption of import substitution.

Another issue likely to be raised with Herr Bangemann by Brazilian officials is the country's controversial nuclear co-operation treaty with West Germany.

The troubled nuclear programme is top of the civilian Government's list of public sector projects to be axed. And Herr Bangemann is likely to be told that no power stations will be built after the two under construction by a Kraftwerkunion-led consortium.

Senate approves extra aid for Israel and Egypt

THE U.S. Senate has tentatively approved $1.5bn (£1.25bn) in emergency economic aid for Israel, $500m in economic aid for Egypt and $15m in humanitarian aid to Afghanistan, Reuter reports from Washington.

In a series of preliminary voice votes on the $14.8bn foreign aid Bill for 1986, the Senate agreed to require Bolivia and Peru to control narcotic production in their countries before qualifying for U.S. assistance.

It also urged construction of a building in Geneva to house U.S.-Soviet arms control talks and rejected a move to prevent U.S. funds from being used to implement El Salvador's land reform programme.

Leaders of the Republican-controlled Senate said they hoped to complete action on the Bill this week.

Approval of the $1.5bn emergency aid amendment for Israel had long been expected. But it was more sensitive than most allocations for the chief U.S. Middle East ally because of U.S. demands that Israel reform its troubled economy before the aid was granted.

Republican Senator Richard Lugar of Indiana, chairman of the Senate Foreign Relations Committee, said before the Senate voted to add the money to the 1986 aid Bill that the Administration had finally signalled its support for the funds.

The emergency aid for Israel and Egypt, which also has economic problems, is in addition to $1.2bn in scheduled 1986 economic aid for Israel and $815m for Egypt which is also in the Bill.

Beleaguered President regains momentum after disappointing European tour, reports **Stewart Fleming**

Reagan finds victory in defeat over defence spending

PRESIDENT Ronald Reagan has once again transformed the political landscape in Washington and demonstrated his remarkable ability to convert political defeat into apparent victory.

By deciding last week to abandon the rapid growth in military spending which has been one of the hallmarks of his Presidency, he is widely thought to have improved dramatically the prospects for Congressional approval this year of a hefty package of budget cuts.

When Mr Reagan bowed to the pressure of his Republican Party peers in the Senate and agreed to limit next year's growth in the defence budget to the rate of inflation, he was taking a considerable risk.

But although there is a danger that he may have set in motion a political auction which will cut the defence budget even more, most people agree that the prospective gains far outweigh the losses.

In part that judgment reflects the view that the decision to make the concessions needed to secure the passing of the Senate budget resolution last week by one vote represents an acceptance that the public mood in America is swinging against the military establishment.

But it has also been clear that in the wake of a European tour which was not triumphal and amid political setbacks that were threatening to swamp the White House, Mr Reagan needed some firm ground on which to build a political victory.

Reagan at Belsen . . . controversy eased

The alternatives the President faced were not pleasant. Had the Senate failed to draw up a politically realistic budget deficit reduction plan, prospects for progress would have almost certainly disappeared, casting a pall over financial markets, already anxious about the impact of a slowing economy on the budget deficit.

It would also have deepened the dismay of many moderate Republicans who face re-election next year. They have begun to distrust the policies of a President whose apparent intransigence was seen as a threat to Republican control of the Senate.

A growing gulf between the Republican President in the White House and the Republican Congressmen on Capitol Hill could have only hastened the day when Mr Reagan's lame duck status became a real political liability.

President Reagan has not however bought himself an automatic passport to political invulnerability by agreeing to limit defence spending, which has soared from $134bn in 1980 to an estimated $254bn in 1985.

Opposition Democrats in the House have already drawn up a budget plan which would cut defence spending even more deeply by freezing it in 1986 without allowing any compensating increase in inflation. This plan also rejects the decision by President Reagan and the Senate Republicans to curb benefits for some 36m pensioners.

The Democrats hope to exploit the fact that Mr Reagan has gone back on his promise not to tamper with social security pensions and to try to label the Republican budget package as unfair. By curbing defence growth the President has drawn some of the sting out of this attack and spread disarray in the ranks of the opposition.

There are those who fear, as one Congressional budget expert put it, that the frustrated Democrats will try to "sabotage" the Senate budget resolution. Ms Alice Rivlin, former director of the Congressional Budget Office, while not ruling out the possibility, says she is optimistic that this will not happen.

Republican right-wingers are also angry. Mr David Gergen, a former communications director in the White House, said on television last week that Washington was alive with rumours that Mr Caspar Weinberger, the Defence Secretary, would resign because his credibility has been undermined. Mr Reagan had himself only days earlier described as "irresponsible" any such attack on Pentagon spending.

Mr James Abellera, a defence expert with the American Enterprise Institute, says however that there were already signs that a swing from boom to bust in defence spending was under way. This was partly because of reports about waste and fraud in the defence establishment but also because people felt that the Pentagon ought to share in deficit reduction efforts.

Mr Ornstein adds that if the defence spending pendulum is swinging back, the challenge facing President Reagan is "not to let it swing too far."

The Reagan Administration has bought some insurance in advance against that eventuality. The Pentagon budget has been "front-end loaded" with equipment purchases which cannot be cancelled quickly and healthy inflation allowances which may not be needed.

Mr Abellera estimates that it would be three or four years before actual spending caught up with authorised spending, if authorisations were not cut.

While supporters of the Pentagon will argue that national security will be threatened, the counter argument that America's weakening economy and budget and trade deficits themselves represent a threat to national security, is rapidly gaining ground.

But even budget experts such as Ms Isabel Sawhill of the Urban Institute in Washington, who see the President's decision to surrender big increases in defence spending in favour of deficit reduction as a "watershed," argue that these projected savings will not solve the budget problem. "We are still talking about a $145bn budget deficit in 1988, according to the Congressional Budget Office assumptions," she says.

The next two months should reveal how big the savings will be and how precisely they are to be allocated. Mr Reagan may not like all the elements of the final package but he will probably feel more confident over one particular factor.

The President will not be faced with having to concede a tax increase as part of the deficit reduction package. The White House is still managing to keep its budget and tax policies on separate tracks, another of his successful strategies.

A POLL by President Ronald Reagan's pollster showed that approval of his visit to the Bitburg Cemetery increased dramatically after his visit to the West German military burial ground, the White House announced yesterday, AP reports from Washington.

Mr Larry Speakes, White House spokesman, said pollster Richard Wirthlin surveyed about 1,000 people on April 26 and April 27 and found a 49-47 per cent margin of approval for the visit, which drew criticism from Jewish groups and others because of the presence of Nazi SS graves.

WORLD TRADE NEWS

Lawson in clash on trade outlook

BY CHRISTIAN TYLER, TRADE EDITOR

A DISAGREEMENT about Britain's trade prospects when North Sea oil revenues run out led to clashes between Mr Nigel Lawson, Chancellor of the Exchequer, and members of the House of Lords yesterday.

After two hours of questions which included some acid exchanges with several peers, Mr Lawson agreed with Lord Aldington, chairman of the Lords committee on overseas trade, that the main difference between them was whether Britain's deficit in manufacturing trade suggested a state of crisis was being reached.

Mr Lawson challenged Lord Aldington's use of the word "crisis." The Government was tackling, by supply-side measures, what he called the fundamental problems of an arthritic economy.

"What I dispute is that suddenly some new and totally different problem has arisen that is measured by the deficit on manufactured goods."

He said he expected a trade surplus in manufactures and invisibles to offset the deficit in food, raw materials, and eventually fuel.

But Lord Aldington and other peers said they had heard evidence from many other witnesses, including the City of London, to suggest that services could not take the place of manufactures.

REMOVAL of the ceiling on employers' national insurance contributions will be "a brake on exports and a tax on talent," according to the British Consultants' Bureau, Our Trade Staff reports.

Mr Michael Welbank, chairman of the bureau, says that the national insurance change will have a serious impact on the profitability of consultancies, which contribute nearly £1bn to British exports, and could "render a significant part of the export business non-viable."

Yesterday's argument comes at a time when capital goods exporters are protesting that the Treasury does not give them enough support, especially to match "soft" financing by other governments of overseas project business.

Much of the disagreement yesterday hinged on whether Britain's successful service industries could in future fill the deficit gap on traditional exports and in some new industries such as information technology.

There was also implied criticism of Treasury policy, even though Mr Lawson pointed out that the Government was spending nearly £1bn a year on subsidising trade credits and on other kinds of promotion.

Quoting recent improvements in export figures, investment, productivity and competitiveness, the Chancellor said the trade deficit in manufactures was not a guide to that sector's health.

The trade surplus on fuel would diminish slowly, and the balance on non-fuel trade would tend to improve in response to a fall in the real exchange rate.

Meanwhile, there would be a permanent inflow of interest and dividend payments from overseas assets built up during the oil boom, and the non-manufacturing private sector would possibly play an increasing role.

In his opening statement, the Chancellor said he was not implying that manufacturing in Britain would wither away. The Government wished to see it flourishing and competitive.

"But there is no adamantine law that says we have to produce as much in the way of manufactures as we consume."

Told by Lord Stoddart that the committee had heard that services could decline alongside manufactures, Mr Lawson said: "I do find the whole drift of this conversation rather distasteful—sneering at services as if the 50 per cent of people employed in them were not in real jobs."

Lord Stoddart replied angrily: "You really must not accuse me of sneering at any sector."

In answer to other peers who quoted contradictory evidence from Lord Weinstock of GEC, Mr Lawson warned the committee "not to be misled by industrial pressure groups."

He said Lord Weinstock was "in the business of extracting money from the Government on a large scale," and "was proficient in the art of colourful hyperbole."

Pressed by a number of peers about the cutback in budgets for the Foreign Office and British Overseas Trade Board, Mr Lawson said funds were not limitless and the Government was trying to deploy money more efficiently and reduce public expenditure overall, for the general health of British industry.

But he repeated that Britain would not disarm unilaterally even while it sought multilaterally to contain the international competition in subsidised export finance.

Nicaraguan bananas on way to Belgium

By Hugh O'Shaughnessy

A consignment of 67,000 boxes of Nicaraguan bananas, banned under the Reagan administration's trade embargo from sale in the U.S., is due in the Belgian port of Ghent on Tuesday. They will be distributed in Europe by the Hamburg company of T. Port.

Herr Hajo Port, the company's managing director, said yesterday that under an agreement with the Nicaraguan exporters some 70,000 to 100,000 boxes a week would be marketed in Europe by his organisation for the foreseeable future.

T. Port which formerly traded with Standard Fruit signed an agreemetn with the Nicaraguan exporters last year. Tuesday's consignment will be the first delivered under the agreement and, Herr Port said, the first Nicaraguan bananas to be sold in Western Europe.

He forecast that Nicaraguan bananas would find a stable market in Europe. Colombian bananas, he said, were being sent to the U.S. to fill the gap left by the cessation of Nicaraguan shipments.

Voest Alpine wins Sch30bn steel order from Soviet Union

BY PATRICK BLUM IN VIENNA

VOEST-ALPINE, the Austrian state-owned steel, engineering and electronics group, has won a contract worth about Sch 30bn (£1.1bn) to supply basic steel materials to the Soviet Union.

The deal was signed yesterday at the company's headquarters in Linz, Lower Austria, by Mr Gleb Afanassiev, general director of Promsyrjoimport, the Soviet trading company. It is the largest single deal ever signed by Voest-Alpine with the Soviet Union.

Viest will supply 1m tonnes of steel plates and 1.5m tonnes of cold-rolled steel sheets mainly for use in the motor industry. Deliveries will start in 1986, to be completed in 1990. The company will also be supplying 800,000 tonnes of tubes, casings and other materials for use by the Soviet oil industry. These deliveries will start in 1987 to end in 1990.

The company has built up a considerable amount of business with the Soviet Union over the years, regularly supplying materials to meet Soviet five-year plan requirements, as well as building major engineering and steel works in the Soviet Union.

In January, the company won a Sch10bn turnkey contract to build and equip a new steel core plant in Byelorussia.

The company's sales to Eastern Europe and the Soviet Union represent about 30 per cent of its total sales. The Soviet Union is by far its largest customer within Comecon.

A spokesman said yesterday that the deal may have been signed on the anniversary of the Austrian state treaty to which the Soviet Union was a signatory, as a sign from the Soviet Government to demonstrate their intention to continue to maintain good relations with Austria.

Trade between Austria and the Soviet Union has experienced a considerable boom in recent years. Austrian exports to the Soviet Union were worth about Sch14bn last year, up by over 30 per cent on 1983. Austrian imports grew by more than 32 per cent last year to reach Sch 19.6bn.

The company has been especially active in the past month, with two major contracts, one worth $200m with Nigeria and another announced last week for $2bn wit hIran.

U.S. chief textile negotiator approved

By Nancy Dunne in Washington

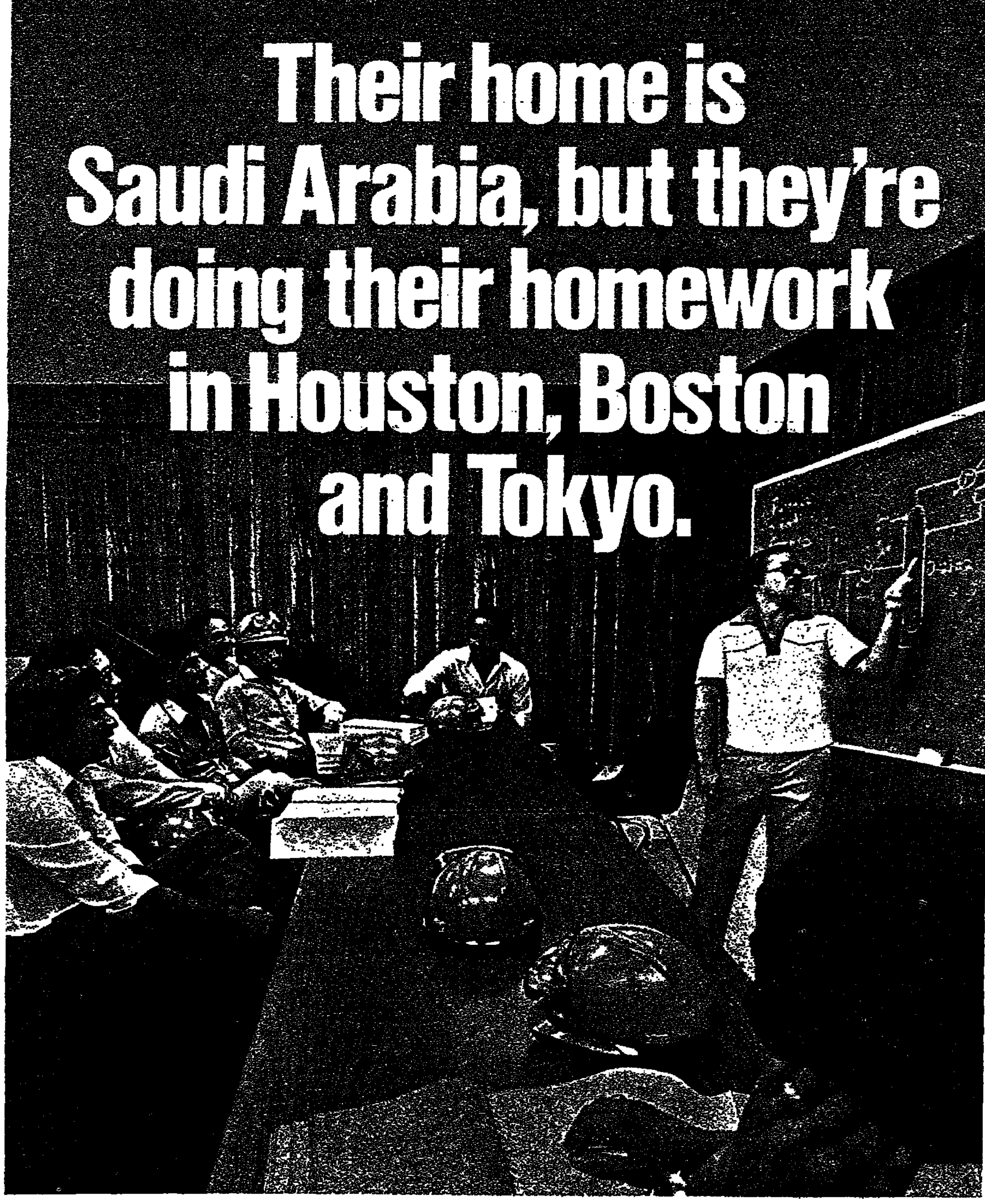
DR CLAYTON Yeutter, president Reagan's nominee for U.S. trade representative, has approved the appointment of a former textile industry lobbyist to be U.S. chief textile negotiator.

The appointment has given rise to speculation that Dr Yeutter, a frequent advocate of "fair trade," will be tougher in negotiations than his predecessor, Mr Bill Brock, and more sympathetic with protectionist pressure in Congress.

Mr Charles Carlisle, most recently a special negotiator with the State Department, has already moved into his new job in the offices of the trade representative.

Before joining the State Department last October, he was president of the Man-Made Fibre Producers Association, a domestic textile lobbying group which is now pushing new legislation to roll back the growth of textile imports.

Mr Carlisle was also one of the founders of the Trade Reform Action Committee, a broad-based group of industries and unions hurt by imports. Previously he was vice-president of St Joe Minerals and a foreign services officer.



Peking hits at U.S. barriers to trade

BY OUR PEKING CORRESPONDENT

TRADE BARRIERS in the U.S. and Europe were strongly criticised yesterday by a senior official of China's Foreign Economic Relations and Trade Ministry, who blamed them for slowing the growth of China's export market.

The visit of U.S. Commerce Secretary, Mr Malcolm Baldrige to Peking for trade talks has failed to soothe the Chinese Government, which is still angered by last year's U.S. decision to tighten textile imports rules.

At a press conference to mark the end of the third meeting of the Sino-U.S. Joint Commission on Commerce and Trade, a ministry spokesman said "various factors" were hindering economic relations between the two countries.

"They include outdated U.S. legislation and some restrictions to imports from and exports to China, and the transferring of technology, and extending credit to China," he said.

The Chinese Foreign Economic Relations and Trade Minister, Zheng Toubin, will visit Brussels next week to sign a long-term trade agreement with the European Economic Community. The signing will mark the 10th anniversary of diplomatic relations between the EEC and China.

The EEC agreement will contain no specific new trade deals, but provide that "in principle" trade between China and the EEC should increase.

Asked what hindered bilateral trade with the EEC, which accounts for 12 per cent of China's overseas trade, the spokesman condemned trade barriers.

"One of the problems is that Chinese exports are somewhat restricted by the EEC,

"Another is that the products of Western European countries should be more competitive in price and quality. In that way, China can import more from the EEC."

On U.S. trade, the spokesman criticised restrictions on Chinese products, and said the tightening of textile laws had affected both China and Hong Kong.

Call to keep MFA intact

By Anthony Moreton, Textiles Correspondent

THE BRITISH clothing industry faced a prosperous future providing the Multi-Fibre Arangement (MFA) was allowed to continue.

This was stated in London yesterday by Mr Norman Sussman, chairman of the British Clothing Industry Association, at its annual meeting.

The industry's success in recent years had been created, he said, within the framework of stability provided by the MFA, which had given it the confidence to invest.

"It is therefore paramount that the MFA is not terminal in character. The day is still far distant when the true spirit of reciprocity will be reflected in international trade.

"Until that day arrives, the existing framework must be kept intact."

Mr Sussman was speaking against the background of the announcement last week that the Government would seek a more liberal approach when the MFA comse up for renewal next year.

The MFA, which regulates some 80 per cent of world trade in textiles and clothing, was introduced in 1974 to regulate the growth of imports from low-cost suppliers and allow Western industry time to reorganise.

It runs out in July 1986 and the Government has said that any extension must be seen as part of wider trade talks to liberalise the flow of goods.

China in bid to improve links with E. Europe

BY LESLIE COLITT IN EAST BERLIN

THE MOST senior Chinese official to visit Eastern Europe since Moscow's breach with Peking 25 years ago — deputy Prime Minister Li Peng — begins talks with East German officials in East Berlin today.

His trip is part of Chinese moves to improve relations with both the Soviet Union and Eastern Europe.

Earlier this year, Li conferred with the Soviet deputy Prime Minister, Mr Ivan Arkhipov, on improving relations, and with the Soviet leader, Mr Mikhail Gorbachev. Li is expected to sign a five-year trade pact with the Soviet Union next month.

From East Berlin, he will travel to Poland and Hungary at the head of a high-powered delegation which includes the Chinese Vice-Foreign Minister, Quien Qichen, head of the Chinese team negotiating with Moscow.

In recent weeks, the Chinese ministers for telecommunication and culture have visited East Germany, while an East German "friendship" delegation toured China.

Although relations have not been restored between their Communist parties, China's party leader, Hu Yabang, recently sent a personal message to East Germany's leader, Herr Erich Honecker, expressing the wish to improve ties.

The East German media now reports favourably on China after nearly 20 years of news blackout.

Cairo power plant finance terms agreed

By Tony Walker in Cairo

CO-FINANCIERS of a fourth 1,000MW unit for the new Shoubra el-Kheima power station in Cairo have reached agreement with the Egyptian Government on terms for the $156m (£130m) project.

The U.S. Agency for International Development (AID) has made a grant of $55m for the extra unit of the Bechtel-designed power station. The station will provide up to 75 per cent of Cairo's electricity when the first three units are in service by early next year.

Others participating in the financing of the fourth unit are the African Development Bank, the European Investment Bank, the Italian Government, Japan's Overseas Economic Co-operation Fund and the Canadian International Development Agency.

Egypt's Electricity Authority will meet local currency costs equivalent to $21m, calculated at 0.70 piastras to the U.S. dollar, a sum of about E£15m.

Final agreement on Shoubra's extra units is expected to be signed by the middle of the year. Expected completion of Shoubra's first stage which is some 18 months ahead of schedule is one of the Egyptian construction programme's success stories.

Japanese and Canadians in telecommunications talks

BY CARLA RAPOPORT IN TOKYO

NIPPON TELEGRAPH and Telephone, Japan's telecommunications giant, is in talks with Northern Telecom of Canada on the possibility of sourcing some of its equipment from the Canadian group.

NTT said yesterday that a decision on potential purchases should be agreed by the end of this year. If the decision is favourable, it will mark the first significant order for foreign telecommunications equipment by NTT.

The Japanese group has traditionally purchased all its major telecommunications equipment from Japanese companies, such as NEC, Fujitsu and others.

Japan runs a huge surplus in the trade of telecommunications equipment, which has put pressure on the Japanese to widen up their procurement policy to include foreign companies.

NTT confirmed that it has had informal approaches from AT & T, ITT and GTE from the U.S. on possible purchases, but formal negotiations with these companies have not yet begun.

Canada air defence order 'unlikely before 1986'

BY JOHN WICKS IN ZURICH

THE CANADIAN Government is unlikely to decide on the placing of its recently announced air-defence contract until "1986 at the earliest."

This was stated in Zurich yesterday by Dr Dietrich Buehrle, chairman of Oerlikon-Buehrle Holding. The Swiss group has two offers on the Canadian short list, one of them the "Adats" anti-tank system of its military products division, the other a low-level air-defence system from its Contraves subsidiary.

The Swiss would be general contractors in both cases, co-operating with Litton Canada and Martin Marietta in the "Adats" contract or with Sears World Trade and Raytheon for the Contraves deal.

With regard to "Adats," Dr Buehrle said that this was also being looked at by the U.S. Army and "two other Nato countries" and by the Swiss Army. Delegations from third countries had, he added, been invited to U.S. Army tests of the system.

Ford UK makes first trading loss in 13 years

BY JOHN GRIFFITHS

FORD UK yesterday blamed overcapacity and fiercely competitive market conditions throughout Europe for a £14m operating loss last year – the first since 1971 in spite of achieving record turnover.

Had it not been for £74m received in interest, mainly on £726m in loans to its U.S. parent company, it would also have made a loss at the pre-tax level. Instead, it made a pre-tax *profit of £80m, compared with* £178m pre-tax and £98m at the operating level in 1983.

The sharp deterioration in Ford's financial performance has led the *company's chairman,* Mr Sam Toy, to give a warning of shortfalls in the funds needed for future *investment, more rationalisation within* the UK operations and the need for further productivity improvements from the UK workforce of 56,100.

Mr Toy said the results reflected *a "serious trend of declining* profitability since 1979" and he gave a warning that market conditions, which have led most of Europe's volume car makers into heavy discounting and "soaring marketing costs" would continue to intensify.

Ford's net profit was £37m an apparent improvement over the £103m net loss recorded in 1983. However, in that year it made "one-off" provisions of £200m to take account of capital allowances and corporation tax charges and £45m for its foundry operations closure. Last year extraordinary charges totalled only £13m – intended to provide for further rationalisation which has *yet to be announced.*

Group turnover rose by 4.7 per cent to £3.75bn (£3.59bn). Ford sold a total of 653,000 vehicles, 579,000 of them in the UK. The proportion of the total produced in the UK rose from 53.8 per cent to 57.3 per cent.

This, together with rising produc*tion of engines for export to Ford's* continental plants, helped the group to cut its balance of trade deficit to £501m from £673m in 1983. Imports fell by £29m, while exports rose to £980m from £834m in 1983.

Car production fell, however, by 14.1 per cent for which Mr Toy largely blamed industrial stoppages. The company said vehicles lost to *disputes more than doubled* last year to 63,000 from 29,000.

Cabinet split over plan to end house monopoly

BY SUE CAMERON

SENIOR members of the Cabinet are split over the Government's plans to end the solicitors' monopoly on house conveyancing (the legal *transfer of property*).

Mr Leon Brittan, the Home Secretary, and Lord Hailsham, the Lord Chancellor, are understood to be fighting to keep banks and building societies out of the conveyancing market.

If they win their battle, they will force the Government to break a written guarantee given to Mr Austin Mitchell, a Labour MP, at the start of last year.

Mr Brittan and Lord Hailsham *are being opposed by Mr Norman* Tebbit, Secretary of State for Trade and Industry, whose department is responsible for competition in the professions. Mr Tebbit is believed to have the backing of the Prime Minister.

Ministers had been expected to make a statement on the ending of the solicitors' conveyancing monopoly tonight during a House of Commons debate on the Administration of Justice Bill. But last night it was unclear whether the Cabinet would have resolved its differences in time for a statement to be made.

Lord Hailsham and Mr Brittan are thought to be arguing that it would be against the public interest to allow solicitors working for *banks and building societies to do* conveyancing for their employers' customers.

GANNET CLUSTER OF OIL AND GASFIELDS TO BE DEVELOPED TOGETHER

Shell plans £2.5bn North Sea project

BY DOMINIC LAWSON

SHELL has revealed plans for a £2.5bn development of a cluster of five North Sea oil and gas fields. It is the largest capital sum yet earmarked for a single North Sea project, although some previous developments were more expensive after cost overruns.

Four of the fields are known as the Gannet cluster, lying 112 miles east of Aberdeen, Scotland. The fifth field is Kittiwake, 26 miles north-west of the Gannet cluster. Total recoverable reserves of the five fields are estimated at 220m *barrels of oil* and 800bn cubic feet of gas.

It is the first proposal to develop a cluster of *small North Sea oil* and gas fields as a single project, sharing processing and transport facilities.

The Gannet development has already been the subject of controversy after the award last month of £13m worth of orders for the early project design work. This went al*most entirely to UK-owned companies.*

The dominant U.S.-owned companies, such as Bechtel and Foster Wheeler, believe Shell originally *wanted to select different* contractors for the work, but were pressured by the Department of Energy's Offshore Supplies Office (OSO) to give the work to UK companies.

Shell said yesterday that, as regards the rest of the project, "there is a fundamental pressure to buy British, *but you must ask the OSO* what its thoughts are."

The construction of the jackets and topsides for the Gannet plat*forms will provide more than 6,000* jobs over about three years. The equipment and facilities obtained from suppliers could provide several thousand more jobs, Shell said.

Shell and its *partner* Esso are now holding talks with the Department of Energy about the proposals. The companies are likely to seek formal government approval next year. The fields could start production in 1991, subject to that approval.

Shell plans a main processing platform for the Gannet central field. The Kittiwake, Gannet West and Gannet East fields will have unmanned fixed platforms. Gannet *North may be developed by means* of an automatic subsea production system.

The method of disposal of the oil has yet to be decided, but it is possible that a dedicated pipeline could be constructed.

Mr Peter Everett, managing director of Shell UK Exploration and Production, *said yesterday:* "Gannet is a significant pointer to the future. Schemes of this type will play a major part in the drive to develop the small fields we need to ensure high *levels of oil and gas production well* into the next century."

● British Petroleum *has made a gas* discovery in the Dutch sector of the North Sea. The well in the Dutch block P/2 tested gas at a stabilised rate of about 10.5m cubic feet a day. BP has a 43 per cent stake in the discovery. The next largest partner is Phillips Petroleum with 18 per cent.

Phillips will not see the results of the discovery, because the U.S. oil company announced yesterday that it was putting up for *sale* all its Dutch North Sea interests.

Phillips combined this with an announcement that it will sell its half share in Philmac Oils, a UK *company which operates a 13,000* barrel a day bitumen refinery at Eastham on the Manchester Ship Canal.

The sales are part of Phillips' *drive to raise about $2bn to finance* its recapitalisation, which repelled a bid from Mr T. Boone Pickens, the U.S. corporate raider.

It had been thought that Phillips might sell its UK North Sea interests to help raise the cash, but it appears that Phillips wants to keep those *interests at all costs.*

Regulatory body will monitor price of gas industry supplies

BY OUR ENERGY STAFF

THE PRICE that the British Gas Corporation pays for future supplies will be covered by the gas regulatory body planned by the Gov*ernment to monitor the gas industry after privatisation,* Mr Alick Buchanan-Smith, the Energy Minister, said yesterday.

This appears to cast further *doubts on* the ability of British Gas to take commerical decisions free of state interference, once it is in the private sector. *When Mr Peter* Walker, the Energy Secretary, announced the privatisation plans last week, he mentioned only gas prices to the consumer as the remit of the *new regulatory body.*

British Gas yesterday described the minister's comments as "most surprising." The corporation pointed out that, under the terms of the Oil and Gas Enterprise Act of 1982, the Government formally relinquished its rights to arbitrate in the *event of any disagreement on* prices between British Gas and its suppliers, the major oil companies.

The oil companies would probably welcome the Government's renewed willingness to intervene in this way, since they are worried that as a private sector monopoly, *British Gas could become an even* stronger opponent at the negotiating table. But British Gas is likely to fight fiercely any further constraints on its commercial freedom.

The most recent dispute between the Government and British Gas came over the Government's veto of the corporation's long-cherished plans to import about £27bn of gas from Norway's Sleipner field. British Gas claimed that without the deal, it would be short of gas in the mid-1990s, to meet UK demands.

Mr Buchanan-Smith refused to be drawn on whether the Government would be able to veto a future *such deal by British Gas, after the* Government ceases to be a shareholder. But he conceded that the Government would have "a continuing interest" in such matters and added that such a deal would require a pipeline "for which the new company would require authorisa*tion from Government.*"

Mr Buchanan-Smith admitted to MPs that there could be a shortage of UK-produced gas in the 1990s, but that if that happened, imports *on a smaller scale than those envi*saged from Sleipner would be feasible.

In a memorandum submitted to the House of Commons energy committee *yesterday,* the Government claimed that because of the veto of the Sleipner deal "there is scope for net tax receipts to range up to £250m a year higher on average throughout the 1990s."

This would be the result of UK gas production taking the place of Norwegian supplies.

● *The National Coal Board warned* yesterday that it would halt all negotiations on a new colliery closure procedure if pit supervisors implement a ban on overtime, which could cut production by about a third.

The board's warning came as leaders of the National Union of Mineworkers in Nottinghamshire announced that their members had voted by three to one to oppose rule changes being put forward by the *union's national leadership which* the area sees as aimed at reducing its autonomy within the union.

The vote – 15,157, or 73 per cent of those voting, in favour and 5,631, or *27 per cent, against – is likely to* enhance further the possibility of the moderate Notts area breaking away from the national union, though it is still far from clear whether the national leadership will be able to achieve the two-thirds voting majority required to bring in the con*stitutional changes at the union's* annual conference in six weeks' time.

BR to cut 5,000 workshop jobs

BY ANDREW FISHER

BRITISH RAIL Engineering (BREL) is to shed nearly 5,000 jobs over the next two years, it confirmed yesterday. It plans to shut its historic Swindon works, employing 2,300 people, *as early as next* March.

The proposed job cuts, about 1,000 more than the figure given to trade unions last May, follow a 13 per cent drop in the past year in repair and maintenance work for British Rail, which has been speeding up its investment in new trains.

The job cuts, which include 1,200 in Glasgow, produced a sharp reaction from trade union representatives. "We will use all our industrial strength to alter this decision," said Mr Harold Sealey, the Swindon executive member of the National *Union of Railwaymen* (NUR).

It is NUR policy to resist closures with industrial action. NUR officials met yesterday to discuss the BREL job cuts, but such action can *only be decided by the NUR executive* committee, not due to meet until next Thursday.

More than 12,000 Scottish members of the NUR held a one-day strike last month in protest at the planned rundown of jobs at the BREL works in Glasgow. BR said *the strike cost around £200,000.*

The announcement of the Swindon closure will cast a cloud over this summer's celebrations of the 150th anniversary of the Great Western Railway. Unions will meet BREL again on May 29 for further talks on the job losses. The NUR *said it was concerned about* the speed of the Swindon closure, as well as the scale of the total redundancies.

BREL said it hoped most redun*dancies could* be achieved by natural wastage. With the Swindon closure and the rundown of Glasgow from 1,650 jobs, the main BREL sites will be at Crewe (4,100 jobs, with 180 to go), Derby (5,850 at two works, with 120 to go), Doncaster (3,000, with 350 to go), Eastleigh, near Southampton (2,400, with 400 to go), Wolverton, near Milton Keynes (2,100, with 140 to go), and York (2,650, with 120 to go).

The redundancy programme will *bring the BREL workforce down to* some 20,500 people. Five years ago, it employed 35,000. The company closed the Shildon wagon works in County Durham last year. Turnover in 1983 was down to £443m from £478m in 1982, but profits were up to around £10m from £6.5m.

Most of BREL's workload comes from repair and maintenance for BR, though the company is building up its export business

Jobs decline, Page 8

Optica observation aircraft crashes

AN OPTICA light aircraft, a revolutionary UK design with a glass ob*servation bubble, crashed* yesterday on its first day of service with Hampshire police. The crew of two policemen were killed.

The Optica, designed by Mr John Edgley, *was the first production* model and had received its certificate of airworthiness in February. The aircraft was owned by Air Foyle of Luton, Bedfordshire, and was on charter to the police for observation work.

Edgley Aircraft has 84 orders for the Optica, *each worth £139,000,* giving a total order book of about £11.6m. The company is based near Salisbury, Wiltshire.

The crash happened as the Optica was circling a marketplace in Ringwood. The aircraft, according to witnesses, suddenly banked *away and dived into the ground.*

□ ROLLS-ROYCE wants the development of a high-power engine for the European fighter aircraft to be a "strategic step towards a unified European military aero-engine industry," the company said on the *eve of the meeting of defence ministers* in Rome to discuss the Eurofighter.

This is the first time *Rolls-Royce* has called for a single European engine industry.

Snecma, the state-owned French manufacturer, wants its proposed *lower-powered M-88 engine* to be used for the European fighter. Snecma wants France to have the dominant role in the development and production of this engine.

In sharp contrast, Rolls-Royce favours full European collaboration.

□ LABOUR PARTY inquiry into the policing of the recent miners' strike has called for a Royal Commission to examine the constitutional position and control of the police.

It also urged an inquiry into allegations of police violence, miners' *violence* and erosion of civil liberties during the strike.

□ BRITAIN *should* become a full member of the European monetary system, according to the Confederation of British Industry. Mr Ken Edwards, its deputy director, said the CBI believed this in spite of the recent rise of the pound against the D-Mark.

UK NEWS

S. African group to take stake in Kunick

By Our Financial Staff

KUNICK LEISURE, the rapidly expanding unquoted group headed by Sir Fred Pontin, is to raise around £9.74m by the sale of 40 per cent of its stock to Kersaf Investments, the South African hotel and leisure group.

In the wake of the deal, which follows the £2.52m placing with UK institutional investors in March of this year, Sir Fred will make his long-threatened move of stepping down as chairman and handing over to Mr David Hudd.

For some time it has been thought that Kunick would be the next leisure company to come to the Unlisted Securities Market (USM). Kunick will be paid for its shares via arrangements which have been made with S.G. Warburg, the merchant bank, and broker Rowe & Pitman, Akroyd for 2.66m Kersaf shares placed with UK institutional investors at a price of 38p each.

The whole arrangement is dependent on approval by Kunick shareholders, on listing being granted for new ordinary shares of Kersaf on the Johannesburg Stock Exchange, on the waiving by the takeover panel of the obligation to make a general offer and of other regulatory approvals.

Kersaf itself is about to undergo major reorganisation as a result of which it will become a subsidiary of Safmarine and Rennies Holdings.

After this it will become a holding company with a 73 per cent stake in the UK-based Sun International Hotels, which operates hotels, resorts and casinos in South Africa and Mauritius, along with interests in Southern Sun Hotel Holdings (South Africa's largest hotel group) and a film and television company.

Kersaf said last night that Kunick "will be a principal vehicle for Kersaf's expansion in the UK and European leisure and entertainment sector, and it will be seeking to grow by acquisition."

Kersaf's Mr Sol Kerzner will join the Kunick board.

Survey finds London and Paris among the cheaper world cities

BY ARTHUR SANDLES

THE CONTINUING strength of the dollar has helped to keep many U.S. cities among the most expensive places in the world for the business community. Only notoriously costly cities like Lagos, Tokyo, Cairo and Tehran are more punishing on the commercial pocket than Chicago, San Francisco and New York.

The latest survey of executive living costs around the world by Business International suggests that London is once again a bargain basement. It is now 66th in the world league table, cheaper than Singapore (14th) Hong Kong (34th) and Paris (52nd).

According to the survey, Lagos is the world's most expensive business city for the fourth year in succession with an index of 146 against a base level of New York at 100. The sheer scarcity of products in the Nigerian capital pushes up the price of many items. Researchers found a kilo of rice to cost $17.

The survey was carried out at the end of January, when the pound's exchange rate to the dollar was $1.11.

The most expensive city in Europe was found to be Oslo, which was still 13 per cent cheaper than New York. The Swiss cities of Zurich and Geneva were next, with costs about a quarter less than New York. Lisbon is still the cheapest business base in Europe (53 per cent of New York levels) in spite of a 28 per cent inflation rate.

This rate of inflation, however, pales before those of Latin America. Buenos Aires saw 865 per cent inflation and Rio de Janeiro 219 per cent. "These cities remained bargains, however, as living costs were contained in dollar terms," the survey comments. Rio's index was 46, one of the world's lowest.

The survey is used by many companies around the world as a basis for salary adjustments and other payments. Comparisons include food, cars, utilities, clothing, domestic help and entertainment. The researchers stress that local housing rental costs are not included.

Business International (Human Resources Division) 12 Chemin Rieu, Geneva, Switzerland.

THE WORLD'S MOST EXPENSIVE CITIES IN 1985

City Ranking	BI Index* (NY = 100)	Annual inflation** (% increase from Jan 84 to Jan 85)
1. Lagos	146	27.0
2. Tokyo	118	2.5
3. Tehran	116	14.5
4. Cairo	114	15.0
5. Chicago	102	3.5
6. San Francisco	101	3.5
7. New York	100	3.5
Taipei	100	6.0
9. Los Angeles	99	3.5
Washington DC	99	3.5
11. Boston	98	n.a.
12. Houston	97	3.5
Libreville	97	7.5
14. Miami	96	3.8
15. Singapore	95	2.5
Abu Dhabi	95	2.5
52. Paris	70	8.0
56. Rome	68	10.0
62. Frankfurt	65	2.5
66. London	63	6.0

The weighted index is based on: shopping basket of food items, alcoholic drinks, household supplies, personal care items, tobacco, utilities, clothing, domestic help, recreation and entertainment, transport.

***This annual inflation indicator is based solely on the price movements from January 1984 to January 1985 of the items included in the BI index and should be considered to be "inflation for executives," as it takes into account the purchasing habits of this particular group.*

Jobs in industry decline again

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

A FURTHER 11,000 jobs were lost in manufacturing industry in March, according to the latest official figures published yesterday.

They showed that total employment in the manufacturing sector fell by 27,000 in the first three months of the year to 5,387,000. This was 40,000 fewer than a year earlier.

The number of jobs in manufacturing industry has been declining for many years as new jobs have been created elsewhere in the economy, mainly in the service sector. The latest Department of Employment figures suggest an accelerating decline in recent months in spite of evidence that output and orders in the manufacturing sector are buoyant.

The 27,000 decline in jobs in the first quarter of this year compared with a rise of 2,000 in the final quarter of 1984 and an average decline of only 7,000 in the second and third quarters.

The number of jobs lost in the first quarter of 1984 was almost the same as the figure for this year. It may be, therefore, that the seasonal pattern has been changing and that this is not fully reflected in the normal correction for seasonal variations made by the department.

The sharp rise in interest rates during the sterling crisis in mid-January, with uncertainties about the duration of the miners' strike, may have given a temporary jolt to manufacturers' confidence early in the year.

The latest survey of manufacturing industry by the Confederation of British Industry, in April, suggested that in recent months overall employment was roughly static. The CBI survey showed that larger companies were still cutting back their labour forces quite sharply, although smaller companies were taking on labour.

The latest unemployment figures which reflect the labour market in the whole economy have suggested some acceleration of the rate at which jobs are being shed, with the average monthly rise in unemployment up to 17,800 in the three months to April, compared with 10,000 in the three months to January.

Yesterday's figures do not give the estimated employment total for the whole economy in the first quarter of this year. Revised estimates show that the total number of jobs rose by 343,000 in the 12 months to the final quarter of 1984 when the figure was 23.63m.

The figures also showed that average earnings rose by 9.1 per cent in the 12 months to March. This partly reflected the unwinding of the miners' strike, so that the official estimate of the underlying rate of increase is 7½ per cent, the same as for the previous eight months.

Average earnings in manufacturing industry rose by 9.4 per cent in the 12 months to March.

UK NEWS

Managers tried to buy state bus group

By Sue Cameron

THE STATE-OWNED National Bus Company (NBC) has revealed that its top managers tried to organise an employee buyout of the entire group some 18 months ago.

They were told by ministers that such a scheme was "politically naive" because the Government could not countenance selling a monopoly into the private sector.

Last week's announcement that the Government is planning to sell the state-owned, monopolistic British Gas Corporation to the private sector – in one piece – has infuriated many of NBC's top executives.

Some feel that the decision on British Gas adds insult to their injury, coming on top of the Government's decision to sell the state-owned British Airways – which also has a near monopoly in many areas – to the private sector.

NBC's top managers claim their group is not a monopoly. They say it has only some 3 per cent of the total travel market in Britain, and that it has to compete against cars and against the state-owned British Rail.

NBC is due to be privatised after the deregulation of local bus services. No decision has yet been taken as to whether the group should be split into a large number of small companies before being sold off, or privatised in a small number of large pieces.

Both the Government and NBC have now appointed outside consultants – Price Waterhouse for the Government and Barclays Bank for NBC – to advise on privatisation proposals.

Some senior people in NBC have evidently not given up all hope of a management-led employee buyout for the entire group. They believe the survival of a privately owned National Bus, intact and able to continue for a while with some cross-subsidisation, could ease some of the problems they are predicting with bus services after deregulation.

NBC said yesterday that the UK's network of local bus services was being "put at risk" by the Government's plans to deregulate the industry and introduce greater competition into the market. It said that rural bus routes would be the prime candidates for cuts.

Radical reform at the stock exchange

London trading begins in currency options

BY ALEXANDER NICOLL

THE London Stock Exchange takes a significant and aggressive step into its reformed future today when Mr Nicholas Giordano, president of the Philadelphia Stock Exchange, formally opens the first currency options contract to be traded on a British exchange.

Options are the boom instrument this year on the world's financial markets. In London, the stock exchange's existing options on 30 equities, a stock index and short-dated government securities have taken off after seven years of struggle, with the introduction of British Telecom options after last year's flotation.

International banks, especially in London and the U.S., have meanwhile developed sophisticated currency options for their corporate customers. In the U.S., the Philadelphia exchange has had remarkable success with traded currency options, and other exchanges have shown booming growth in options on other financial instruments, notably treasury bond futures.

An option, whether it is on currencies, equities, or futures, provides the buyer with the right, but not the obligation, to buy or sell a fixed amount of the underlying entity at a fixed price at any time before a specified expiry date.

Like futures contracts, options have become popular because of the volatility of financial markets. They are one of a range of methods that market participants can use to hedge, or protect, their positions against sudden fluctuations. They are also attractive to speculators who stand to make large profits from relatively small investments.

The foreign exchange markets have proved spectacularly volatile since floating exchange rates took effect in 1973, and have thrown up various means to enable those exposed to sudden movements, such as banks or companies with foreign currency receipts or commitments, to protect themselves. In Britain, the main method has been the forward market operated by banks active in the spot exchange markets. This simply locks the participant in to a fixed rate at a specified time in the future, generally closely related to the interest rate differential between the two currencies involved.

In the U.S., a currency futures market developed in Chicago, offering tradeable commitments to buy or sell fixed amounts of currency at a fixed price at a specified time in the future.

In Britain, the London International Futures Exchange (Liffe) also introduced currency futures in 1982, but the contracts have attracted only small volume. In a hotly competitive atmosphere, both the stock exchange and Liffe, which will itself begin trading currency options on June 27, are each hoping that options will attract greater interest from financial institutions.

For some investors, options have advantages over futures. The buyer's risk is limited to the price of the option. A buyer of a currency option obtains insurance against an adverse movement in an exchange rate but still retains the opportunity to benefit from a favourable exchange rate movement.

The contract which will begin trading today is a sterling/dollar option with a value of £12,500 – half the size of Liffe's, but identical to the contract traded in Philadelphia. The London exchange hopes to make its trading "fungible" with Philadelphia's, meaning that a contract bought in London in the morning could be sold later in the day in Philadelphia. But this still requires regulatory approval.

Since the currency and stock markets have different participants, the London exchange will today for the first time open its floor to banks, in a prelude to the membership changes which will take place amid the current radical reform of the exchange.

Other "big bang" changes are presaged today. Market-makers in currency options, including Standard Chartered Bank, Rudolf Wolff and two established jobbers, Akroyd & Smithers and Smith Brothers, will be able to trade both as principals and as agents for their clients. This "dual capacity" has been barred but will become widespread after the exchange's reforms.

Bank of America has also applied to be a market-maker in currency options.

A further harbinger of the future are commissions, set by individual brokers rather than the fixed scales which have been the norm on the exchange until recently.

Both brokers and potential users believe that a healthy currency options market could develop in London, though most doubt that there is room for sufficient liquidity to accommodate both the stock exchange and Liffe contracts. Both plan to introduce other currencies, led by the D-Mark, soon after sterling/dollar start-ups.

Typical users of the market – especially buyers of options – are likely to be banks wishing to hedge the positions they have taken by selling, or "writing," large options for their corporate customers; British companies wishing to protect themselves, for example, against an erosion of the value of expected dollar receipts by a fall in the dollar's value; or investment managers with, for example, a portfolio of dollar-denominated investments that would suffer from a dollar fall.

Although the fundamental reasons for using the options market are simple – whether they be for hedging or speculation – the actual range of courses of action available to participants is broad. Small investors would be wise to educate themselves before plunging in.

Options are divided into "calls," which provide the right to buy, in this case, £12,500, and "puts," which give the right to sell the same amount. Within these divisions, there are "series" of different possible prices at which options could be exercised, ranging on either side of the current market price – in this case, the dollar/sterling spot exchange rate.

The further variable is the expiry date, spread at three-month intervals.

Like futures contracts, few options actually produce a "delivery" of the underlying entity because market positions are generally closed out before expiry or exercise. The profit, or loss, of most traders will simply be the variation in the premium, or price of the option itself, between the purchase and sale. Many options will, in any case, expire worthless because the spot exchange rate never comes near the specified exercise price.

Insurance

Combating the 'whinge factor'

Feona McEwan on two companies' attempts to change public opinion

INSURANCE, it is said, is sold, not bought. Of all "products" to push, insurance has to be one of the hardest. How do you set about selling something that people don't want to know about? Rationally insurance may have a lot going for it—everyone, after all, needs it in some form—but in an emotional sense, and this is what such decisions are said ultimately to be based upon, the image of insurance is bankrupt.

Research has unearthed a number of bogeys: people know very little about it and want to know even less. It is seen as a necessary evil, associated with death and disaster, not good news. To talk about it, some would have us believe, is to court crisis. Others say it acts as a talisman and wards off disaster.

Thomas Cowper Johnson of ad agency Waldron Allen Henry Thompson which handles the Commercial Union explains: "There's a feeling that people are never paid what they're owed; that companies have a way of reverting to the small print; that a claims inspector's first priority is 'how can I get out of this?'; that claiming is like going through the inquisition, and your word is doubted." This is what Robert Deighton of ad agency Kirkwood and Partners (Legal & General's main agency) calls the "whinge factor."

Marketing has come late to the insurance world. The financial services revolution which has sent traditionally disparate institutions—banks, building societies, unit trusts—chasing after the same purse, has done much to change the industry's approach to business, especially over the last five years. Removal of tax relief on life insurance premiums has changed things too. "It means insurance companies have to be more consumer-led," says Miranda Kennett of WAHT. "They are not used to seeing themselves as a service industry." Now the acid wind of competition is shaking many grey, faceless financial institutions—and insurance companies are not alone here—into pushing their wares more visibly and amenably.

One obvious indication of this is the near vertical rise in advertising expenditure of the sector. According to Media Expenditure by Analysis Ltd (MEAL) the insurance and assurance sector has upped its spend nearly tenfold from 1975 to 1984, from £4m to £38m.

Given public hostility towards the industry, perhaps it is little wonder that two of the more lively ads currently on our screeens come from the more marketing-conscious insurance companies, Legal & General and Commercial Union. Each —which spends around £2m annually on its corporate advertising—has grasped the nettle by a different leaf.

"We won't make a drama out of a crisis" is one of those slogans admen dream about. Adopted into the lingo, it has been adapted and Bowdlerised by headline writers from The Times to the New Musical Express. It has been used, it is true, against the company it represents (the Midland "listening" bank will sympathise) but always indelibly associated *with* it — a catchphrase Commercial Union has made its own.

Revolutionary

When the campaign originally burst in 1979 (devised by the award-winning creative team of Susie Henry and Bill Thompson) it was regarded as pretty revolutionary, even inflammatory. "It was a leap in the dark," says Cowper Thomas. Consumer-led advertising in the sector was unheard of at the time; the most visible insurance message was the durable "man from the Pru."

CU advertising focused on the claims side of household insurance using real life stories, though not everyone believed this. It took to television and national press for the first time to win hearts as well as minds, tackling all aspects of cover—fire, flood, car damage.

CU chose this route after research showed that for all the consumer reluctance about insurance, the company was seen to have a fairly good claims reputation. As with all corporate campaigns the idea was to convey the "caring company" concept to counter the "impersonal giant" image. Though one of the largest insurance houses in the UK, CU was shown to be one of the lowest in awareness levels.

The CU tack ricocheted round the industry. Fears that such an approach would only serve to increase the number of claims sent shudders through fellow institutions. CU's reply to that is that it sensed the climate of marching consumerism.

"Of course expectations of us were raised following the advertising," says press relations officer Ray Morley. "And at the rate of 700,000 claims a year there were occasions when we couldn't settle every one quite as successfully as those in the campaign. Of course the ads picked out the best examples. And any complaints we get, which luckily are few, do tend to end up quoting the slogan."

Nonetheless, the benefits, says CU, far outweigh any backlash. "Being first to focus on claims has meant CU gets a generic benefit," says the agency. "People think of CU first. In the past three years, the CU life insurance side has taken off, helped by the spin-off of confidence in the CU name."

Legal & General has followed a different route. Earlier advertising in the 1970s had been about building a brand—something unknown in insurance circles—and television had been used to make L & G the household name it now believes it is. This year it changed emphasis from insurance (long its strong suit, unlike CU whose strength has traditionally been its commercial insurance) to investment. And the tactic it uses is to knock itself.

"Legal & General—only 99 per cent of getting it right" goes the slogan, following a demonstration of ventures that went wrong—drilling for oil to find just water ("not much luck in Mukluk") and investing in fly spray in the year of the fly-reducing drought. Having arrested the attention, the ad then packs its punch—"However, you have to speculate to accumulate, and despite the odd hiccup Legal & General have more than doubled *their* investments in the past five years which is very good news for anyone who's got their money with us. . . ."

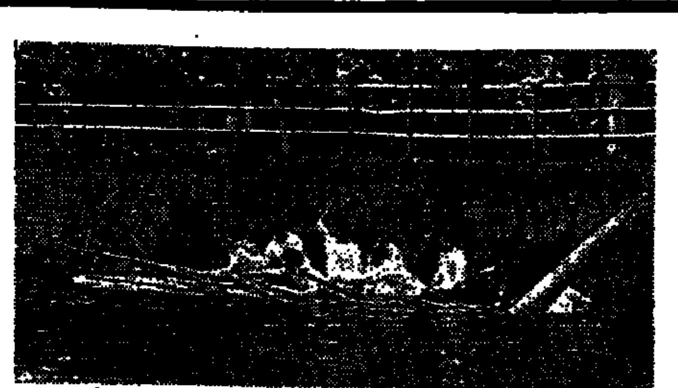
"Yes, we thought it was a brave thing to do," says Douglas Wright, marketing communications manager of Legal & General. "But we took this route because the upside is not very interesting. People would say, well you'd expect them to say that wouldn't you . . .?"

"Tone of voice was important," says Robert Deighton. "The disarming pitch was the only way to go because L & G was seen as so successful and needed to be made approachable."

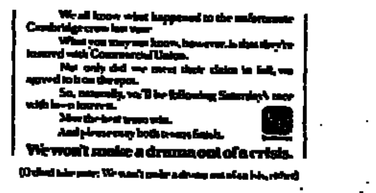
The ad was heavily researched last year when the agency found the L & G image out of kilter with reality. In fact 90 per cent of its business was in pensions, savings, diamonds, yet it was perceived primarily as an insurance house. The agency identified what it calls "the emergent investor," thriving in the Tory shadow. "The rich were getting richer, there was redundancy money around, and inherited money. Such people were cautiously putting their money into building societies but were aware they could be doing something more sexy with it," explains Deighton. "British Telecom did a lot to make investing sexy. Yet these people wouldn't know their way round the City, their eyes glaze over at the sight of unit trust ads and anyway they think the City is for people with their *own brokers* . . ."

L & G is therefore pitching for this emerging force, those with entrepreneurial spirit, allied at the same time to the safe and trusty image that is L & G's legacy from previous campaigns. But it won't succeed overnight, as Wright well knows. "Attitudes to savings are very conservative in this country. Some people are still holding onto their national savings bonds bought in the 1950s."

Though it's too soon to gauge the effects of the L & G approach, initial reaction is highly favourable. Asked his view now, one elderly Mancunian was moved to say "a very manly company." And L & G won't quibble with that.



As soon as we saw the damage we agreed to bail them out.



Erratum

THE growth of press display advertising revenue in 1984 was given last week as 37.4 per cent for national newspapers and 36.7 per cent for regionals. This in fact referred to growth. In real terms, during the period 1970 to 1984. Real growth in the year 1984 was 9.2 per cent for nationals and 4.9 per cent for regionals.

Not wild about Harry

Christopher Parkes reviews a book for would-be salesmen

SOMEWHERE, hidden deep in the bowels of The Gentle Art of Salesmanship, there is a worthy volume screaming to get out. The trouble is that it can barely make itself heard above the scatological rantings which occupy the first 50-odd of its 150 pages.

This stunningly vulgar book, its content largely obscured by endless parentheses, swatches of distracting italics, and noisy, noisome blasts of daft, dirty jokes, has something to offend almost everyone.

There are cheap jibes on hand for anyone who is not a salesman. If your name is Stan or Peter O'Toole and you live in Slough, Peru or Barnsley, favour Hush Puppies as footwear, keep a lighthouse, farm maggots or practise accountancy for a crust, suffer from piles and have a less than pyrotechnic sex life, then be warned.

Author Harry Turner, 30 years in selling, started life as a baked beans salesman. Since surviving what he called a "diabolical" stint with Crosse and Blackwell, he has gone on to greater things. Mainly experienced in media selling, he now finds himself managing director of Television South West and, by the by, the second largest shareholder on the board.

All of which suggests that he may have a fund of experience and success worth passing on. To be fair, for the truly dedicated reader with the stomach and patience to cut through the guff, there are pointers enough in this volume to help and encourage the truly dedicated would-be salesman.

He is particularly strong on stringing together cohesive expositions on the importance of some apparently obvious details of the salesman's craft. There is much of practical use on handling job interviews, keeping mind and body modestly fit, handling the telephone, closing the vital sale, travelling and staying sober.

In one of the very few calm spots in the maelstrom, he launches into a brisk and clear discussion of the uses and abuses of expenses and incentives. Perhaps significantly, this section is about the only part in the book where the italics ease off and the deletable expletives disappear.

The publisher, it is understood, has such high hopes of bumper sales that Mr Turner is already working on a sequel.

If it is not too late, he may be well advised to take a little of his own advice, and develop "the art of using 'a few words'," "Don't *gabble*," and above all remember: "Perhaps the single most *important* attribute a salesman must develop is a *love of language*."

The Gentle Art of Salesmanship by Harry Turner. To be published by Fontana on June 3. £1.95.

IDV cans French labels

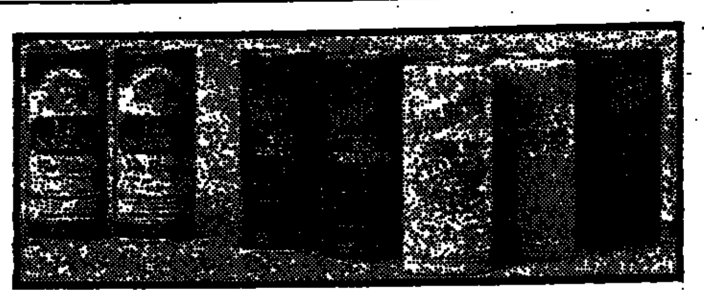
THERE is a great deal of difference between marketing wine in a can and the same product in a glass bottle, according to International Distillers and Vintners, the Grand Metropolitan wine and spirits subsidiary.

This month IDV is relaunching its 25 cl canned wine brand with a packaging design it believes complements the can, in contrast to the previous label which was reminiscent of the traditional bottled wine label.

Says Graeme Christie, wine manager at IDV: "This new range of five wines is the result of us thinking about the whole presentation of wine in a can."

IDV was the first company to launch a 25 cl unseamed can—developed in conjunction with Metal Box. The move to cans followed an earlier break with tradition in the wine trade when wine boxes were introduced in the early 1980s.

Christie says there was "a very largely negative attitude towards wine in a can at the time. But we recognised the importance of new forms of packaging."



Left and right: before and after of canned wines

To get over part of the hurdle IDV designed its La Sonelle canned range, a Vin Rouge and a Vin Blanc, with a design as close to an authentic wine bottle label as possible. There was a front and a back label and much of the description was in French.

Launched two and a half years ago the product picked up business in the duty free sector and sales grew to around 1,750,000 cans a year in a total market of around 5m cans.

However, around 12 months ago sales began to level off and IDV started to re-research its market. It found that more people were willing to accept products in a can but also that there was a resistance to the labelling. "Consumers did not know foreign languages and wanted simple messages such as how many glasses were in the can," says Christie.

The result was a much simpler design with no front and back label and as little French as possible. "We looked at the product in the context of the can and not from that of the wine," says Christie. So the brand name is now no longer La Sonelle, with its French associations, but rather "Sonelle." This has enabled IDV to introduce a Yugoslav wine (of German style) into the range in association with Lutomer Riesling shippers, Teltscher Bros. "We are forecasting that canned wines will settle down at around 1 per cent of the market," says Christie "and become a regular part of people's drinking."

Lisa Wood

JOBS COLUMN

Sinister developments in headhunting trade

BY MICHAEL DIXON

ANYONE who feels that sport has become over-influenced by big business practices may be still more troubled to hear that the influence is now flowing the other way round.

A survey of big United States headhunting consultancies reported in the latest edition of Executive Recruiter News shows that 8 per cent of them have borrowed a trick from the organisers of major sporting events. It is testing job candidates for dependency on drugs.

A sinister twist is added by the fact that candidates are not told the test is being made. It is done as part of a general medical check.

Accordingly the consultancies using the drug analysis strike me as still more officiously intrusive than the 2 per cent which wire candidates up to lie detectors. You can't do that to people without their knowing—or so I fervently hope, at least.

But even the furtive drug testing is not the most chilling discovery of the survey. Half as many again of the consultancies—12 per cent—admitted having candidates privately investigated.

Such findings chime weirdly with the headhunting breed's characteristic call for absolute frankness and honesty on the part of job candidates.

One of the reasons cited for the recruiters' apparent drift in the contrary direction is "more sophisticated deception by potential candidates." But my preliminary inquiries suggest that the furtiveness is being encouraged by the US Federal laws promoting freedom of information on the one hand and safeguarding privacy on the other, now being put into effect in various individual states.

The legislation evidently militates against the recruiter's traditional method of verifying an applicant's claims by checking with previous employers. They can now risk considerable penalties if they give information likely to be judged to have caused an applicant to be unjustly rejected. I'm told the risk arises not only if the information is wrong but also if it is viewed as irrelevant to competence in the job on offer.

If increasing furtiveness is the effect of the new U.S. laws, let's hope it will be noted by the overgrown school prefects in governing bureaucracies elsewhere. They might then be warned against similarly trying to impose such fluid attributes as candidness and respect for privacy by dry legislation.

But whatever the reasons for the developments indicated by the survey, I feel that they can only reduce yet further the prospects of honesty and trust in the recruitment process.

Those prospects surely cannot flourish unless candidates are able to feel themselves no less well equipped to detect deception on the recruiter's part than the recruiter is to rumble their inexactitudes. And unlike big headhunting consultancies, few individuals can afford to have clandestine drug-tests, private investigations, psychiatric diagnoses and suchlike carried out on prospective employers.

If the big battalions are suspected of using such devices, it seems probable that candidates will respond by becoming still more "sophisticated" in their deception. Although their pockets might not run to the expensive machinery available to the employers' representatives, human nature will no doubt find a way.

For everyone's sake, it would be far better if any headhunter proposing to have applicants drug-tested, gumshoed or whatever were to inform them in advance of what was in mind and ask if they objected. After all, the real insult to human decency lies not so much in submitting people to such procedures as in doing so furtively.

In the particular case of analysis for drug-dependency the secrecy can lead not only to insult but to injury because the tests are far from perfectly reliable. For example, according to Executive Recruiter News, habitual imbibers of quinine water may be shown up by the analysis as cocaine sniffers.

Since it is better to be safe than sorry, therefore, readers approached by big headhunting consultancies would be wise to cut down on the gin and tonics well before being called for interview.

Agency boss

JOHN THOMPSON of the TAL consultancy has been asked by a life-insurance based financial services group to find an agency manager for a new marketing operation directed at British expatriates and people from other nations working outside their home country.

Since he may not name his client he—like the other recruiters to be mentioned later—promises to abide by any applicant's request not to be named to the employer at this stage.

Candidates should have had consistent success over at least five years in developing business in the life or pensions fields and know not only the front but also the side and back ways into the executive offices of brokers, banks and multinational companies. They also need to be numerate.

Basic salary is £25,000, but whoever gets the job will be expected to earn enough by way of bonus to raise total earnings to a minimum of £40,000. Other benefits include a car. The base is London.

Inquiries to Mr Thompson at 232, Portland Road, London SE25 4SL; telephone 01-656 8323, telex 266332 Morouk G.

Mixed pair

NEXT to a couple of jobs with different companies being offered through headhunter John Anderson.

The first is for a director of corporate finance with the London banking arm of a privately controlled group providing a wide range of financial services. The prime task is to develop the services further with emphasis on new issues, business-expansion schemes and institutional investment on behalf of companies public and private alike.

The main qualification is demonstable achievement both managerial and entrepreneurial in such activities, gained while working in merchant banking, stockbroking or similar.

Salary indicator is £35,000-£50,000 with negotiable perks.

Mr Anderson's other offer is a post for a distribution executive based in the Midlands with a privately controlled concern with a turnover of £40m in building products.

Candidates should have demonstrable ability to advise the company's board on all matters relating to distribution of products from the considerably scattered manufacturing plants to a still more widely varying set of customers. The post is a new one, and the person appointed will be expected quickly to show a contribution to profitability.

Here the salary indicator is up to £25,000, again with negotiable perks.

Inquiries in either case to John Anderson and Associates, Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ; telephone 021-632 5758, telex 338024.

Sales angle

FINALLY today to an opening with an international group producing newsprint which wants someone to work from London as its sales director covering the United Kingdom and continental Europe.

Experience in selling newsprint as such is not necessary, provided candidates have the persuasiveness and polish to have sold top people very costly products such as airliners, perhaps. Salmon-fishing skill would help, because in the course of entertaining customers the director will be taking them to the group's private fishing retreat in Canada.

Besides that there will be about £35,000 salary plus car.

Inquiries to Ted Troubridge of Kynaston International, 17-19, Maddox Street, London W1R 0EY; telephone 01-629 3727, telex 261254 Edman G.

General Manager

FINANCE

A major national building society seeks a successor to its current General Manager, Finance, who is approaching retirement.

- RESPONSIBILITY is to the Chief Executive for initiating and developing the society's financial strategy. This is an opportunity to make a significant creative impact in a changing business environment.
- THE NEED is for a senior financial executive who will ideally be a graduate and a chartered accountant.
- SALARY will be around £35,000 plus financial sector ancillary benefits. Preferred age: early 40s.

Write in complete confidence
to P. S. Alexander as adviser to the society.

TYZACK
& PARTNERS LIMITED

10 Hallam Street. London. W1N 6DJ. Telephone: 01-580 2924

Head of Press and Public Relations Financial Times

Press and Public Relations for the Financial Times has developed into a major promotional activity within the Publicity department. Its scope includes the execution of a corporate PR programme, specific activities to promote the FT in the UK, Europe and overseas, and dealing with a wide range of special projects related to the FT Group.

We now need to recruit a new Head of Press and Public Relations to take overall responsibility for this busy and highly visible function. The suitable candidate, ideally aged between 30 and 40, will have several years' experience in Public Relations at a senior level, preferably in media-related areas, and will have a thorough understanding of the responsibilities involved in running an in-house PR department. Proficiency in German or French would be an advantage, and preference will be given to candidates with practical knowledge of the newspaper industry.

Applications in writing, together with a curriculum vitae to: Mrs Sue Smith,
Personnel Officer, Financial Times,
Bracken House, 10 Cannon Street, London EC4P 4BY.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Assistant Company Secretary

Eagle Star Holdings PLC which is a wholly owned subsidiary of B.A.T Industries p.l.c. wish to appoint an Assistant Company Secretary who will be based at its office in Threadneedle Street.

The person appointed will advise on legal and company secretarial matters concerning the operation and management of the Eagle Star Group and on proposed new business developments.

Applicants should be aged between 35-45 and be Chartered Secretaries or have a law degree but must have previous related experience within the insurance industry. In addition they should have experience of a broad range of company secretarial duties and be able to communicate with senior management and directors.

A salary of between £18,000 to £22,000 per annum is offered together with a comprehensive benefits package associated with a major insurance company.

Applicants should write, enclosing a curriculum vitae, to:
J.M. Stratton Esq., Staffing Manager,
Eagle Star Group, Eagle Star House,
Bath Road, Cheltenham, Glos. GL53 7LQ.
Closing date for applications: 31st May, 1985.

Eagle Star

Senior Lending Officer

Accelerate Expansion

Do you have a proven track record in developing new business with corporate customers? If so, use your experience and innovative skills to maximise your career potential by expanding the customer *base of the London Branch of this major* international bank.

This is a new position and your main responsibility will be to market the bank's products to existing and potential customers primarily in the UK. You will have the opportunity to significantly influence the direction of new business and contribute to new product development.

Aged in your 20's or early 30's you have at least two years' front line calling experience, good credit skills and a broad knowledge of loan related proposals and documentation. Personal strengths include commercial acumen, good communication skills, flexibility and determination.

Attracted by increased responsibility and the chance to work as a key member of this growing department you will benefit from being part of a major international bank which has a wide network of subsidiaries and affiliates. With substantial UK expansion plans there are good prospects for advancement and a rewarding long term career. Salary is negotiable commensurate with experience plus excellent banking benefits.

Please apply enclosing a CV to Barbara Lord, Senior Consultant, Cripps, Sears and Associates Limited, Personnel Consultants, 88/89 High Holborn, London WC1V 6LH. Telephone: 01-404 5701.

Cripps, Sears

INTERNATIONAL BANKING

ACCOUNTANT — to £20,000
European Bank, recently arrived in London, needs to fill this key position with a person capable of establishing its Accounts function including implementation of the Computer System. Candidates, late 20's - early 30's should be qualified accountants or have extensive experience in the Accounts function of an International Bank.

AUDITORS — £12 - £20,000
Several client International Banks have openings for recently qualified ACA's seeking to commence a banking career, or people with bank audit experience wishing to take increased responsibility and improve salary accordingly. These include Credit Audit, EDP and Branch Procedural Auditing. Competitive salaries are offered with excellent opportunities for further progression.

MARKETING OFFICER ASSISTANT — to £14,000
Major International Bank requires a person, 25 - 35, with at least two years' experience in credit analysis, and the preparation and review of loan documentation for a wide range of credit facilities. Responsibilities, in addition to the analysis of credit proposals, will include the monitoring of facilities, including a degree of client contact.

SENIOR FX DEALER — to £25,000
Major International Bank with an established London dealing operation requires an additional person with solid dealing experience. Candidates should be working in an active environment covering US Dollars and major European currencies. Our Client Bank does not wish the remuneration package to be a barrier to the recruitment of a candidate and an attractive salary will be offered by negotiation.

ASSISTANT HEAD: CREDIT DEPT. — to £22,000
The developing London Branch of an International Bank headquartered in Europe offers an excellent opening, providing Manager status, in the review and evaluation of Credit Proposals, and monitoring of its Credit Portfolio to a person probably 28 - 38 with extensive experience in the credit/lending function.

MARKETING: TRADE FINANCE — Negotiable
Major International Bank seeks two people for its Trade Finance Unit. Firstly, a person with several years calling and credit assessment experience in this activity, combined with the ability to motivate others, is required to head the section. In addition, a person with solid documentary credits knowledge and marketing potential is sought at assistant level.

Our current assignments also include

Accounts Clerks	£10,-13,000
Credit Analyst	to £12,000
Eurobond Settlements	£7,-15,000
Loans Administrator	to £9,500
Deposit Dealer	to £15,000
Deputy to Mgmt Acct	c £15,000
Documentary Credits	£8,-10,000
Eurobond Dealers	negotiable
FX Dealer	to £15,000
Credit Officer	£15,000+
Personnel Manager	c £20,000
Asst Portfolio Manager	to £30,000
Marketing Swaps	negotiable

Gordon Brown Bank Recruitment Consultants Ltd.
85 London Wall, London EC2M 7AD — Telephone: 01-628 4501

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Economic Analyst

The European Division of Westpac Banking Corporation, Australia's largest banking group, seeks an Economic Analyst to work in the Economic and Market Research Department, London office. The work of the department is varied covering, inter alia, country risk analysis, reporting and analysis of financial markets and research into new markets and financial products.

A good economics degree is a prerequisite for the position. The successful applicant, preferably in his or her twenties, is also likely to have several years' experience working for a banking, stockbroking or governmental organisation and will have demonstrated the ability to produce intelligible reports of a high standard without close supervision. Some knowledge of econometrics would be an advantage.

The position offers excellent career development opportunities to the successful applicant together with a competitive salary augmented by an attractive package of fringe benefits in line with best banking practice.

Applicants for the position should write, including a curriculum vitae, to:

Dr B C Hilliard,
Head of Economic and Market Research,
Westpac Banking Corporation,
Walbrook House,
23 Walbrook,
London EC4N 8LD.

Westpac
Australia's world bank.

Our client is a medium sized British Merchant Bank with international interests. A number of organisational changes will be taking place during 1985 which include the recruitment into the following two positions.

Manager – Bills and Documentary Credits

c £22,500 pa + car

The Manager will assume full responsibility for the sound management of the department with specific duties for:

- Management of bills and documentary credits operations.
- Policy formulation and the development of profitable business
- Customer relations
- Staff motivation and training

Candidates must have 15 years' experience with major financial institutions including 10 years experience in a trade related role, with extensive practice in bills and documentary credits, and a clear management and staff training ability. Candidates should also have a sound appreciation of credit insurance and ECGD procedures and the necessary controls over trade finance risks, with some background in risk assessment and business development. An AIB is required and a degree or additional professional qualification is an advantage.

Assistant Manager – Bills and Documentary Credits

Up to £18,000 pa

The Assistant Manager will assume a significant proportion of the responsibility for the profitable and secure operation of the department, with particular reference to the:

- Provision of detailed technical advice to management and staff
- Development of customer services
- Management of systems and computer operations
- Staff motivation, training and supervision to ensure the highest quality of sound banking practice.

Candidates must have several years in International Banking Operations with direct exposure to bills, documentary credits, and ECGD procedures, a sound general banking training with a major financial institution and some experience of managing staff. An AIB or degree is required.

The Bank offers good working conditions, subsidised mortgage scheme, 25 days' holiday per annum, contributory pension scheme, interest free season ticket loan and other benefits. Salaries are open to negotiation within a reasonable band.

Please either telephone Terry Fuller on 01-240 9555 for a preliminary and confidential discussion, or write to him with a full CV quoting reference 365, at Deansgate Management Services, 63/66 St Martin's Lane, London WC2N 6JX.

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LONDON AND MANCHESTER

Credit Manager – Industrial Finance

. . . for subsidiary of major international bank
c.£17,000 + banking benefits

Our client is a successful and expanding company. It provides finance primarily for capital intensive projects such as plant, machinery and commercial vehicles. The company is currently based in London but will be relocating to Redhill, Surrey, in July 1985.

Reporting to the Managing Director, you will manage a small team of credit control and administration staff. Your prime responsibilities will be to ensure the provision of accurate financial/credit assessments, effective administrative systems, and sound advisory support to the sales team. You will also be involved in financial research into potential new markets.

Aged 28 to 35, you should have sound corporate underwriting experience, gained in a banking/finance house environment. Credit control experience and good analytical, communication and man-management skills are essential.
The excellent benefits package is that expected of a major international bank. It will include mortgage subsidy, non-contributory pension and profit share.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. M. Hordern ref. B.2007.

This appointment is open to men and women.
HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.
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HS

Opportunities in Retail Banking

Hill Samuel & Co. Limited, one of the country's leading Merchant Banks, is seeking to appoint two people to join its busy and expanding West End Retail Banking hall in Wigmore Street, London W.1.

BRANCH ACCOUNTANT

Candidates should be aged between 26 and 45, qualified AIB, with proven all round banking experience.

Main duties will include assisting management in running the Machine Room, Cashiers and foreign sections, together with involvement in a new banking computer system, security of premises and other ad hoc projects.

SECURITIES CLERK

Candidates should be aged between 24 and 32, qualified or currently studying for AIB, with a minimum of 12 months' experience as a Securities Clerk.

Main duties will include taking charged and uncharged securities, safe custody, some credit analysis and account monitoring.

The ability to get on with customers is particularly important.

In addition to a competitive salary, we offer excellent fringe benefits including subsidised house purchase and loan schemes, non-contributory pension, free life assurance and BUPA.

For an application form, please telephone
Mrs. Anne Dunford
(01) 628 8011 extension 2288

HILL SAMUEL & CO LIMITED

MIKE POPE AND DAVID PATTEN PARTNERSHIP
Bank Recruitment Consultants

SPOT F.X. DEALER

Our client, a well established International Bank, seeks a Spot FX Dealer to join their dealing team in London.

Applicants should be 20 to 25 with at least two years' dealing experience, in an active environment, in any or all of the major currencies. The position offers considerable scope for a person with drive and ambition.

A competitive salary, together with usual banking fringe benefits, will be offered to the successful applicant.

Please apply by phone to Mike Pope or David Patten on 01-247 0053
Bank Chambers, 214 Bishopsgate, London EC2

EUROBOND SYSTEMS

A highly self-motivated person with experience of Eurobond Settlements is required in a small, expanding company for a demanding position. Exposure to computerised systems desirable but less essential than a wide background in a Bond office.

Flexible remuneration package up to c £17,000.

Write Box A8997, Financial Times
10 Cannon Street, London EC4P 4BY

INVESTMENT RESEARCH — ADMINISTRATION ASSISTANT

Swiss UK representation office in quiet SW London location has vacancy for a research and administration assistant to monitor with an acute and inquisitive mind an international range of investments (equity, bonds, forex etc.). The use of a personal computer with Lotus and/or other accounting and simulation models is involved.

Applicants (male/female), who will preferably be graduates, must have at least A-level mathematics and experience of two/three years in investment markets with an institution or broker.

Please send full c.v. in confidence to
Box A.9006, Financial Times, 10 Cannon Street, London EC4P 4BY

General Management

Scottish Health Service

Following the Griffiths Report on National Health Service Management, the Secretary of State for Scotland has decided that General Managers should be appointed by each of the twelve *mainland Health Boards in Scotland.*

These new managers will be the senior officers of the Health Boards and will have overall responsibility under the direction of the Boards for the discharge of their business. In addition, General Managers will carry a personal responsibility, delegated from the Accounting Officer of the Scottish Home and Health Department, to account on behalf of the Board for the effective, efficient and economic use of public funds by the Board. The initial emphasis will be on strategic and resource planning, implementation to achieve agreed objectives and the effective management of change.

The essential requirement is for a proven record of success in a general management, senior financial, professional or administrative role within a large and complex organisation, ideally encompassing a period of major change. This may have been in the industrial or commercial arena, or within the public sector. A knowledge of the Health Service and its operations would be valuable, and a familiarity with the Scottish scene helpful.

Appointments, which will be for an initial period of five years, are to be made by the following Boards:

Argyll and Clyde (Paisley)	**Fife** (Glenrothes)	**Highland** (Inverness)
Ayrshire and Arran (Ayr)	**Forth Valley** (Stirling)	**Lanarkshire** (Hamilton)
Borders (Melrose)	**Grampian** (Aberdeen)	**Lothian** (Edinburgh)
Dumfries and Galloway (Dumfries)	**Greater Glasgow** (Glasgow)	**Tayside** (Dundee)

Attractive salaries reflecting the scale and complexity of these appointments will be offered.

Closing date: June 10, 1985.

Send a comprehensive curriculum vitae initially to Peter Craigie as advisor to the National Health Service. Please indicate those appointments that are of interest, so that relevant job details can be sent. Candidates' information will be passed to the appropriate Board chairmen.

Arthur Young Management Consultants,
17 Abercromby Place, Edinburgh EH3 6LT.

Arthur Young Executive Selection
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Director, Management Services

A board appointment

Salary c. £40,000, Car, Benefits **Central England**

The client is a prestige UK commercial group committed to the development of sophisticated new systems to meet challenging business requirements and opportunities in the UK and overseas.

The Director, Management Services, will be totally responsible for the corporate information technology services function across the group, including telecommunications, and for corporate administration services.

The prime requirement will be to drive, develop and implement wide-ranging advanced technology based systems in line with the corporate business strategy in a highly competitive commercial business environment.

Applications are invited from very experienced management services professionals, objective in communicating with demanding users at all levels, and demonstrably skilful in the management and control of the computing services function in a multi-vendor mainframe network environment.

Candidates must demonstrate strong interpersonal skills and the ability to operate effectively as a corporate team member, and possess sound commercial awareness. Applicants should be aged between 35 and 55, and possession of a degree or equivalent qualification whilst desirable is not deemed essential providing a record of significant personal professional achievement is evident.

A salary negotiable around £40,000 will be offered, together with an executive motor car and a range of very substantial tangible benefits.

In the first instance please write to: Kevin Long, Director, Moxon Dolphin & Kerby Ltd., 178-202 Great Portland Street, London W1N 5TB quoting ref: KL/4265. Complete confidentiality is guaranteed and candidates' details will not be disclosed to the Client prior to an interview with the Search Consultant when permission will be personally sought.

MOXON DOLPHIN & KERBY LTD EXECUTIVE SEARCH & SELECTION

Trainee Dealers

Join An Expanding Market

This international bank is a leader domestically and growing internationally. The London operation is developing fast and in the medium term will increase its staff threefold. Following profitable growth the dealing department is to recruit two trainee dealers. The new dealers will be trained to trade bonds denominated in many currencies but majoring on the US dollar and Japanese yen. Both positions will report to the chief dealer and will be expected to study market trends and to offer advice and assistance to investors to ensure the most successful deployment of funds.

Aged early 20's the preferred backgrounds are probably banking or stockbroking. Alternatively you may hold or be working towards, a degree in business studies or a related discipline. You will be numerate, a quick thinker and mildly aggressive–the qualities expected of a good trader.

A good negotiable salary with encouraging promotion prospects is offered. Show your interest by telephoning or preferably writing enclosing a current CV to Derek Cox of Cripps, Sears and Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701.

Cripps, Sears

ASST. COMPANY SECRETARY

Major International Bank is seeking an ACA, probably c 30 to work with the Company Secretary and Financial Controller. Candidates must have the ability to participate in the Bank's budgetary and planning process in addition to having a knowledge of the Secretarial function. It is unlikely that the total salary package will prove a barrier to the recruitment of a suitable candidate.

CORRESPONDENT BANKING

Leading International Bank is seeking a Senior Executive to develop and maintain contact with overseas banks as funding sources. Candidates must be able to cultivate banking relationships at the highest levels. This is a senior management position with a probable salary in the range of £30-35,000 plus usual bank benefits, to fully reflect the level of responsibility required.

BANKING HALL MANAGER

European Bank requires an alert and positive person, probably early 30's, to manage its Customer Services Dept. The successful candidate will probably be an A.I.B. with a sound retail banking background, supplemented by broad international banking experience including F/X Back-up. This is a new key appointment with excellent opportunities for a person with the necessary skills.

CREDIT & MARKETING OFFICER

Well-established Bank, active in a wide range of Syndicated Loan and Capital Market facilities, is seeking a person, probably 25-30 to work in a Credit Marketing role within its UK Business Development area. Candidates should ideally have some exposure to the marketing role although the Bank will consider applications from candidates with a strong credit background.

F/X DEALER

An opportunity with an International Bank for a person, mid-late 20's, who wishes to progress to Chief Dealer status. Candidates must be able to demonstrate sound experience of FX, Deposit and Arbitrage trading, as well as displaying man-management potential. Interested persons are invited to contact us in confidence to discuss this position.

TRADE FINANCE MANAGER

Leading International Bank is seeking to recruit a key marketing officer for its expanding Trade Finance Dept. Applicants, probably early-mid 30's, must have both calling and credit assessment experience in this particular activity together with strong inter-personnel skills. An attractive salary package will be negotiated with a suitable applicant.

Our current assignments also include

Accountant (A.C.A.)	c. £14,000
Eurobond Settlements	c. £13,000
Spot Cable Dealer	to £20,000
Deposit Dealer	c. £11,000
Asst. Ops. Manager	c. £16,000
UK Marketing Officer	£18-20,000
Senior UK Marketing	to £30,000
Personal Banking Off.	£16-20,000
Senior Credit Analyst	to £15,000
Loans Admin.	to £13,000
Trade Finance Off.	£15-18,000
Senior Forward Dealer	to £25,000

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London Wall London EC2M 5PP
Tel: 01-628 4200

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And are you always looking to win?

United Financial Services are looking for self starters who welcome responsibility.

You will be contacting Financial Directors to determine if UFS can help them finance their capital expenditure.

You will be working in the West End with a first rate team of committed young professionals.

It goes without saying that the career prospects couldn't be better. We are offering an excellent package, including a car and health insurance.

Write with your CV to Sam Geneen, at the address below, who will treat your application in the strictest confidence.

United Financial Services
14 Welbeck Street, London WIM 7PF
Telephone 01-486 7581

Business Systems Manager

–to manage the change into a distributed systems environment

c.£30,000 + car **Home Counties**

Our client, a fast moving consumer goods manufacturer with a turnover of c. £1000m. is a major force in the retail, catering, industrial and export markets.

To maintain competitiveness, profitability and facilitate future growth, the company has initiated a £6½m. programme to rationalise its data processing and communication requirements by the development and implementation of sophisticated and networked computer systems.

As Business Systems Manager, you will be responsible for planning and directing this programme, and for future business systems development throughout the Group. Particular emphasis will be placed on the co-ordination of user requirements, staff training, maintenance of operational standards, assessment of new developments in information technology and provision of effective guidance to the Board.

Educated to degree level, aged 35 to 48, it is essential that you possess a thorough knowledge of distributed systems and applications gained with a hardware manufacturer or major user of distributed systems, project management expertise, an up-to-date knowledge of developments in information technology, well-developed interpersonal skills and proven management of change experience.

This high profile appointment will offer you an opportunity to make a major contribution to the future direction of the company and excellent scope for career development.

A relocation package is available where appropriate.

Please reply – in confidence – with full salary and career details to John H. Woodger ref. B 44034.

This appointment is open to men and women.

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MANAGEMENT SELECTION

Controller of Finance & Administration

South Herts **to £20,000 plus car**

Our client is a young company enjoying vigorous growth in the self drive car hire business. They offer an exceptional opportunity for a bright, energetic and ambitious individual to participate actively in the development of the business as well as its day to day management.

The incumbent will have a wide brief including the control of the accounts function, financial and business support to the Managing Director, evaluation of new acquisitions, new depots and computer systems. It is a challenging role which will demand a high commitment to the business in return for high job satisfaction.

Ideally, candidates will be qualified accountants, in their late twenties or thirties, who can demonstate the ability to run a successful finance function in a profit orientated environment. Experience in a service related industry would be an advantage, more important is the ability to undertake increasing responsibility.

Candidates should send a curriculum vitae, in confidence, to Anne Campbell (reference 58) Spicer and Pegler Associates, Executive Selection, St Mary Axe, London EC3A 8BJ.

Spicer and Pegler Associates
Management Services

FOREIGN EXCHANGE DEALERS

A successful European International Bank requires young, energetic and ambitious Dealers in their very active Dealing Room.

The ideal candidates should be able to deal in Foreign Exchange and Euro-currencies preferably with some experience of the newer trading instruments; as the Branch continues to grow additional responsibilites will be given.

Age 23-28. Knowledge of a foreign language is preferred but not essential.

Salary negotiable and fringe benefits include non-contributory pension scheme, mortgage subsidy and medical cover, etc.

Apply with full c.v. to Box A9000, Financial Times 10 Cannon Street, London EC4P 4BY

Hoggett Bowers

Executive Search and Selection Consultants

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Investment Fund Management

Research, Development & Adminstration
City, From £18,000 plus extensive benefits

The investment management unit of this prestigious merchant bank uses state of the art technology and advanced trading and switching techniques to maximise returns for its institutional clients. To complement the investment managers' expertise excellent research, development and administration systems are vital. This position is responsible, with a staff of three, for the further development of e.d.p. to identify otherwise unrecognised market opportunities and ensure that decisions are executed and documented with 100% efficiency.

Candidates, probably aged under 30 years, will be graduates with sound e.d.p. knowledge and valid experience in the investment industry. They should have the ability and personality to earn the respect of colleagues, directors and clients for their contribution to the team. Prospects and benefits are superb.

I.L. Duff, Ref: 18086/FT. Male or female candidates should telephone in confidence for a Personal History Form 01-734 6852, 6th Floor, *Sutherland House,* 5/6 Argyll Street, LONDON, W1V 1AD.

CAPITAL MARKETS Neg. To £40,000

A number of positions exist for Capital Markets Executives, at all levels, with top Euromoney listed Institutions. Executives are sought with a background of marketing and/or execution work in Bonds, FRN's, Euronotes, Syndications or Swaps. It is expected that Candidates will be Graduates, offering an MBA, Law or Accounting professional qualification.

Please contact Bryan Sales.

CORPORATE DEALERS £15,000-£30,000

Our client, a Major International Bank, is seeking several young Corporate Dealers, with a minimum of one year's experience, who must possess the potential to become the very best in the market. The successful applicants will be offered an extremely competitive salary and a benefits package normally associated with a first class Bank.

Please contact Trevor Williams

OPERATIONS MANAGER to £25,000+Car

A major expanding City based Bank requires an experienced Manager to take day-to-day responsibility for the operational activities of the Organisation. Applications are invited from Candidates, probably aged 30-40 years, with at least five years experience at senior operational level in an International banking environment.

Please contact David Williams.

MARKETING OFFICER £20,000 Neg.

A Major International Bank is seeking a Marketing Officer to join their Investment Banking Group. The successful applicant will be involved in the formulation and implementation of marketing strategies, with particular responsibility for Project Finance. Applicants should be aged between 25 and 32, Graduates, with a strong credit background and an exposure to marketing. The position offers advancement potential and an attractive benefits package.

Please contact Anne Fenwicke.

All applications will be treated in strict confidence.
JONATHAN WREN & CO. LTD., 170 Bishopsgate, London, EC2M 4LX.
Tel: 01-623 1266

Jonathan Wren
BANKING APPOINTMENTS

Leading German Bank

requires a

Senior Settlements Clerk

Candidates should have had at least five years' settlements experience and be in the age bracket of 24-30 years
We can offer a competitive salary and benefit package

Please write in confidence to the Manager — Operations Box A8991, Financial Times, 10 Cannon Street, London EC4P 4BY

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Our clients have an impressive record of success; many blue chip companies retain our services in the redeployment of their top people.

Telephone or write for a preliminary discussion without obligation—or cost.

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28 Bolton, Street, London W1Y 8HB. Tel: 01-493 1309/1085

ARE YOU CAPABLE OF GENERATING INCOME?

The Trust Company subsidiary of an independent Isle of Man Bank wishes to recruit one or more business getters either on a commission or salary plus basis.

- ★ Applicants must have initiative to develop ideas on their own; the intellect to understand and explain sophisticated financial packages; and the ability to communicate at the highest level.
- ★ No specific career background is stipulated but might have included law, accountancy or investment.
- ★ Age not material.
- ★ Foreign languages would be an advantage.
- ★ A proven ability to sell is essential.

Interviews will be in London. Successful candidates probably based in London but with substantial international travel commitments.

Let us know what you can offer in order to justify the high remuneration we are prepared to pay.

Replies in confidence to

Box A9009, Financial Times, 10 Cannon Street, London EC4P 4BY

CITY OF LONDON POLYTECHNIC DEPARTMENT OF BANKING AND INSURANCE

SENIOR LECTURER IN BANKING

Applications are invited for the post of Senior Lecturer in Banking, tenable from September 1985.

The main requirement is for a person with sound academic qualifications and good banking experience with expertise in the field of financial and risk management within the banking sector. Salary on a scale £12,213 p.a. to £14,166 p.a. (bar)—£15,099 including London Weighting.

For further details and an application form please write on a postcard to the Staffs Records Officer, City of London Polytechnic, #117 Houndsditch, London EC3A 7BU. Please quote reference no. 85/31.

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Require junior dealer or blue button ready for immediate authorisation. Good prospects with salary and usual benefits to encourage ambition

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Charterhouse Investment Management, part of Charterhouse Japhet plc the Merchant Bank, provides a range of investment services to both Institutional and Private Clients in the UK and Overseas. These services are expanding particularly in the Private Client Sector where prospects for growth are excellent.

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You will be a graduate, aged at least 30, with five years' experience of the management of Private Client funds, probably gained in another Merchant Bank or Stock Broker. You will have a thorough understanding of the markets combined with the ability to get on well with clients.

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Please write giving full career details to John McCarthy, Personnel Manager, Charterhouse Japhet plc, 1 Paternoster Row, St. Pauls, London EC4M 7DH.

This appointment is open to men and women.

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They now seek to recruit a team of graduates to spearhead this exciting new development.

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You should be under 50 and have:

- 15 years' post-graduate industrial experience.
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- General Management experience at senior levels.
- First hand knowledge of UK industry, in at least two sectors.
- Self-discipline to operate to tight schedules, formulate reasoned judgements and write cogent reports.
- The ability to develop good relationships with financial colleagues and with customers' managements.

To apply, please send a full CV and salary history, in confidence, to J. F. A. Kirkpatrick, Investors in Industry plc, Radcliffe House, Blenheim Court, Solihull, West Midlands, B91 2UB.

3i INVESTORS IN INDUSTRY

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FX Dealer — New Zealand — Aged under 30, candidates will require *in-depth but broad-based* experience of spot and fwd trading. Our client is a highly respected International bank and prospects are good. Package is negotiable and competitive.

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New Products — Europe — Full familiarity with treasury instruments and the money market is required for this new appointment with a major, prestigious International bank. A special interest in options and/or FRA's would be an advantage. Candidates are likely to be under 35 and hold an MBA or equivalent qualification. Package is negotiable and reflects the importance of the appointment.

Corporate Dealers — London — Required by two expanding "good name" City banks. An excellent track record in this field is sought and the appointees are likely to be graduates and highly self-motivated. Ability in a second European/Scandinavian language would be an advantage. Salary negotiable to c. £25,000.

Spot Dealer — London — To complement the existing spot team in the UK branch of a well respected International bank. A minimum of 4 years' good spot trading experience is required, gained with a bank recognised for its expertise and aggressiveness in this field. Salary to c. £25,000.

Fwds Dealers — Four/five years' in-depth experience is sought by two City banks, one European, one U.S. Ability to speak French would be a major advantage for one of the appointments. Salary to c. £25,000.

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One of the leading U.S. investment banks based in London seeks to recruit an outstanding and highly motivated young professional to join the existing corporate finance team. Reporting to the Managing Director in charge of European corporate finance, the successful candidate will be responsible for screening prospective clients, performing credit analyses, preparing financing proposals, and for the eventual execution and completion of transactions which initially will relate to the provision of domestic U.S. finance for European companies. This work will also involve a significant amount of client contact. This opportunity provides a highly unusual degree of scope for the individual to extend his or her responsibilities over the whole corporate finance field.

Probably aged in the mid to late 20's, the successful candidate will have approximately two years' experience in the corporate finance department of either a U.S. investment bank based in London or a City merchant bank. He or she is likely to possess an excellent academic background, which will include a first degree and a professional qualification or an M.B.A.

Given the importance of this position our client is prepared to offer a highly competitive base salary and the opportunity of a significant performance related bonus.

Please write in confidence with full career details to:

St. James's Corporate Consulting,
Box FT/916, St. James's House,
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Salary Negotiable **Sussex**

Our client is a rapidly expanding group of service companies mainly related to high technology industry. The rate of their growth demands they recruit a Financial Controller, to take overall responsibility for all financial and accounting functions. This position reports directly to the Board.

Applicants should be qualified, aged 25-35 and able to show sufficient experience, ambition and tenacity to cope with this demanding but rewarding position. It is essential that candidates have a working knowledge of computer-based accounting systems.

This is a management opportunity which requires an individual whose potential can match the growth of the group.

To apply please forward your c.v. to

G. Jackson, Arram Berlyn Gardner & Co, Mortimer House, 37/41 Mortimer Street, London W1N 7RJ

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MGM Assurance, founded in 1852, has acquired a reputation for first class investment performance for both its unit-linked and conventional with-profit funds.

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Apply, enclosing detailed curriculum vitae, to:—The Chief Investment Manager, MGM Assurance, 6-8 Clements Lane, London EC4N 7AP.

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THE BUSINESS PROGRAMME

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Channel 4's highly successful Business Programme has been extended to a further series. Applications are invited for the post of Editor, to be responsible for the programme on a day-to-day basis, reporting to Michael Braham, who is to become Executive Producer. This is a one year contract initially, beginning not later than 1st September, 1985. Salary will be competitive.

It is unlikely that anyone without **both** the following qualifications will have the necessary experience:

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Please apply in writing - not later than 1st June 1985 - enclosing a full c.v. to: Michael Braham, Editor, The Business Programme, Limehouse Studios, Canary Wharf, West India Docks, London E14 9SJ.

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Careers in Eurobonds

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package £80,000–£100,000

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Please contact **Sally Poppleton**, in complete confidence on **01-481 3188.**

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Candidates should have at least two years experience in investigations, business services or corporate advice within a professional firm, broker or merchant bank. A good practical knowledge of company law and taxation is also important.

Future advancement will be limited only by ability.

Please apply with a copy of your CV to Richard White, Director of Corporate Finance, Clark Whitehill, 25 New Street Square, London EC4A 3LN.

Clark Whitehill
Chartered Accountants
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Economist

Stockbroking

We are a leading firm of stockbrokers who require a young Economist to complement our established Economics team.

Ideally candidates should have a good class economics degree and M.Sc., with preference being given to those with a firm grounding in both micro and macro economic principles and having the ability to produce high quality work at speed.

The post offers the right candidate a challenging and stimulating environment in which financial reward and career prospects are excellent.

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Grieveson, Grant and Co.,
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Grieveson Grant

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Full c.v. and salary requirements to Box A.9001 Financial Times, 10 Cannon Street, London EC4P 4BY

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Seymour Adelaide is the leading UK specialist in arranging and advising on finance for property. The company requires an individual with professional, financial, banking or property expertise to assist in the expansion of its activities. The successful applicant will be expected to work on his/her own initiative and will ultimately be appointed a director. The position carries a substantial remuneration package.

Applications should be submitted, in confidence, to:
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SEYMOUR ADELAIDE & CO. LTD.
88 Baker Street,
London W1M 1DL.

CJA RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
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We invite applications from candidates aged 28-38, who must have had at least two years' successful equipment finance experience *and of equal importance is a demonstrable ability to sell, both face to face and by telephone.* The selected applicant who will report to the Managing Director and liaise closely with the Manager – Administration, will be responsible for the overall marketing strategy of the Company, developing an annual marketing and sales plan, advertising, mail shots and public relations. However the key aspect of this assignment will be to personally implement this plan through the effective generation of profitable new business. Transactions are generally in the £100,000-£1,000,000 range. Essential qualities are to be articulate, to have presence and have the ability to deal at top level with clients as well as having well developed planning skills. Above all the successful candidate must be a 'closer'. Initial salary negotiable £18,000 – £20,000 plus incentive bonus of up to 20% of salary plus car. Applications in strict confidence under reference SMM/16721/FT will be forwarded unopened to our Client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

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Applicants will have attained a high level of general management experience and should reside in the Yorkshire and Humberside area. Knowledge of problems and concerns of small businesses is of considerable importance.

Applicants should be car owners, hold a current driving licence and be in good health. The successful applicant will operate from the Small Firms Centre in Leeds.

A more detailed description of the work and conditions together with an application form can be obtained by writing to:
Mr Dennis Giblin, Small Firms Centre, 1 Park Row, City Square, Leeds, LS1 5NR; telephone 0532 445151.

The closing date for applications (which must be made in writing on the appropriate form) is 31 May 1985.

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As a result of consistent and continuing growth, our client seeks a small number of exceptionally talented young Chartered Accountants wishing to make a career in the Corporate Advisory field.

Previous investigations experience is *not* essential but applicants, in their mid twenties, must have a good honours degree, first time passes in the professional examinations and will have trained and qualified with a Top 8 firm.

If you feel that you match our clients' requirements, please contact **Robert Digby** to arrange an informal meeting. No approach will be made to our clients without prior discussion.

Financial Recruitment Specialists
16-18 New Bridge St. London EC4V 6AU
Telephone 01-583 0073

Assistant Branch Manager
London – Pall Mall

The development and growth of the specialised banking services provided by our West End Office have created the need to appoint an Assistant Manager to play a central role in this branch.

This is an ideal opportunity for an ambitious young qualified banker with a strong analytical background coupled with well developed managerial skills. We are looking for someone with the confidence and ability to contribute to the success of this Office.

Together with excellent prospects, we offer a competitive salary and benefits.

Please write, enclosing a detailed curriculum vitae to Paul Conboy, Recruitment and Training Officer, Hambros Bank Limited, 41 Bishopsgate, London EC2P 2AA.

Hambros Bank

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BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR
CITY DIVISION

Management Accountant
Banking Services
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This position provides an exceptional career move for a top calibre Accountant, aged 25+, with a minimum of three years experience within banking, possibly in audit. This should have been gained from a small to medium sized bank which has given exposure to the full range of banking activities.

The company is a worldwide Trade Financing Organisation dealing with a wide range of general banking services, concentrating on commercial banking and money market operations.

The successful candidate will be responsible for the accounting functions for London and the U.S. office, which will include consolidation of the accounts for companies in Europe, the Far East and North America. Additionally the Accountant appointed will control the development of the department in line with the growth of work. Prospects are outstanding, as the scope of the position will grow in line with the Company's continued expansion.

R. Knox, Ref: 132/FT. Male or female candidates should telephone in confidence for a Personal History Form **01-628-4200 Ext 286/7/8**, *City Division, International Business Centre, 2 London Wall Buildings, London Wall,* **LONDON, EC2M 5PP.**

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A SENIOR NORTH SEA ANALYST

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Please write, in confidence, to
Ben Fisher or Arthur Hepher, Scrimgeour Vickers & Co
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United States Tax Professional

Arthur Andersen & Co., the international accounting firm is seeking an experienced U.S. tax professional to join its expanding Multinational Tax Services Group in London.

This position involves advising American and European multinational companies on United States corporate tax matters, including *structuring and restructuring of* group arrangements, dividend planning and investment in American real estate and oil and gas.

The salary level will be commensurate with the candidate's background and experience.

Applicants should be qualified in the United States as either a CPA or a Lawyer and have the equivalent of at least 7-8 years' income tax experience on such corporate tax matters as reorganisations, partnerships and international transactions.

Please write with full C.V. to Carol Webb, Arthur Andersen & Co., 1 Surrey Street, London WC2R 2PS.

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Whether you are actively looking to move, or would simply like to be kept informed, please contact us in total confidence: Fiona Stephens, Anthony Innes, Simon Kennedy, Anna Robson.

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Develop a career in Bond Trading/Sales

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01-623 3861

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Particular experience of UK Balance Sheets and evidence of formal credit training would be a distinct advantage. Good communication skills and a willingness to work in a team environment are essential.

Salary will be negotiable in the range £10,000 – £11,000 and fringe benefits include mortgage subsidy scheme, pension and life assurance scheme, private medical cover, personal and season ticket loans, staff restaurant.

Please write in confidence with career and salary details to:-

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The Royal Trust Company of Canada,
Royal Trust House,
48-50 Cannon Street,
London EC4N 6LD.

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Financial Management Limited

provides financial advisory and accounting services, mainly to the entertainment industry, and wishes to expand its

FINANCIAL SERVICES/ INVESTMENT MANAGEMENT

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Opportunity to join young company in key role. Being able to introduce existing business would be a particular advantage.

London Base

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This is a new position to develop the bank's increasing activity in this area. Salary and usual benefits are negotiable and future prospects are especially promising for a successful trader.

Write Box A9008, Financial Times
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STOCK EXCHANGE SENIOR DEALER

Independent London Member Firm has vacancy for Senior Member Dealer. Successful candidate will have at least *five years' floor* experience and ability to organise and motivate house staff. Excellent prospects (including partnership) and remuneration package appropriate to skills and experience.

Write with CV to Box A8999
Financial Times
10 Cannon Street, London EC4P 4BY

STOCKBROKERS
Partner's Assistant

As a result of promotion a vacancy exists for an assistant to a senior partner. The successful candidate will have several years' experience with a Member Firm, handling private clients at a middling to senior level. The candidate should be well qualified and ambitious.

Please write with details, in strictest confidence, to:

D. H. S. Howard
CHARLES STANLEY & CO.
18, Finsbury Circus, London EC2

INVESTMENT MANAGER
£30,000 p.a. +

CHURCH INVESTMENT OFFICE REQUIRES GENERAL INVESTMENT MANAGER

Please forward details, including management experience and church connection, to Box A.9007, Financial Times
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SENIOR FINANCIAL CONSULTANT

Exceptional candidate with West End/City background in insurance or finance required by Winkworth's Financial Service company to handle substantial business generated by the Winkworth Estate Agency Group *and its associates. Successful applicant will have good judgment, ability* to work under pressure and thorough knowledge of financial sources.

Please write in confidence, with full personal and career details, to:
HENRIETTA SMYTH, WINKWORTH, 25A MOTCOMB STREET, SW1

Accountancy Appointments

Finance Director

New group

A finance director is required to join a small management team which is consolidating a major American textile corporation's recent UK and Irish acquisitions into a new holding group.

Working closely with the group's senior executives, the primary targets will be to achieve group profitability and increase turnover to a level in excess of £50m. Key projects will include reorganising company structures or finances, and developing management information systems to maintain tight financial control over the group's assets and operations. Further growth and diversification in the longer term is also anticipated.

The requirement is for a qualified accountant, aged around 35, who has a broad range of technical and management skills, coupled with a successful record of enhancing company financing and computerised systems. Experience of working with an American company or a textile or related manufacturing group is also sought.

Location: Central London.

Remuneration: around £30,000 plus benefits.

Please write in confidence to CT Garcia (Ref 8111).

KMG Thomson McLintock
Management Consultants
70 Finsbury Pavement London EC2A 1SX

Accountants for Management Consultancy

Age 26-35 **Salary to £25,000 + car**

We are one of the leading international management consultancies; we are now looking for further first class consultants and analysts for our financial management practice in the UK and overseas.

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For analyst positions we are interested in hearing from younger less experienced people who otherwise meet the profile indicated above.

We offer outstanding opportunities to broaden your experience in a wide variety of industries and to work with stimulating colleagues from a number of disciplines. There are excellent opportunities for promotion within Peat Marwick for those who wish to pursue a career in consultancy. Of particular interest to us at the moment are people with experience of manufacturing, banking, retail and oil industries.

If you are interested in joining our London office and working with us in the UK or overseas, please write in confidence, enclosing a brief summary of your qualifications and experience, and quoting reference A/MAY5, to Mike Coney at Peat, Marwick, Mitchell & Co., 1 Puddle Dock, Blackfriars, London EC4V 3PD.

PEAT MARWICK

QUALIFIED ACCOUNTANTS

An expanding international financial institution with a global network of branches, requires for its human resources management function, newly qualified chartered or certified accountants, preferably possessing Institute of Taxation qualification and with an aptitude for the development of international remuneration packages with special emphasis on international personal tax planning.

Essential requirements would be fluency in English, communication skills, understanding of basic framework of personal income tax, ability and/or prior experience in maintenance of computerised personal tax record systems and flexibility to work in a team situation.

The remuneration will be fully competitive and the position is London based.

Interested candidates may apply latest by May 30 1985, in writing, with detailed C.V. including age and with two recent passport sized photographs, to:-

Mr. Sajid Hussain,
Human Resources Division,
Bank of Credit and Commerce International,
Société Anonyme Licensed Deposit Taker,
100 Leadenhall Street, London EC3A 3AD.

Finance Director Designate

West End **£25,000 + car**

Our client is a £15 million turnover company engaged in interior design, planning and contracting services. A respected leader in this highly competitive market, its success and expansion is attributed to the exceptionally dynamic marketing, creative design and good project performance.

Due to the increasing level of activity and an exceptionally full order book, the finance department now requires strengthening and efficiently managing. Consequently, a qualified accountant is currently sought to take total responsibility for this function, which will include the development of management techniques and establishment of sophisticated financial controls. As part of a lively management team, particular emphasis is placed on the improvement and development of cost controls and the enhancement of effective liaison with the various disciplines within the organisation.

The successful candidate will be strongly entrepreneurial and have commercial experience with a minimum of 5-6 years post-qualification experience. Previous exposure to a costing and/or contracting environment is desirable; a high level of commitment to the business, coupled with a familiarity with computer based systems is essential. Age indicator: mid 30's.

An attractive salary, substantial bonus package and executive level company car reflects the seniority of this challenging appointment.

Candidates should write to Philip Cartwright, ACMA, Executive Division, enclosing a comprehensive curriculum vitae, quoting reference 255, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

Financial Director/ Company Secretary

Advertising

London

This established leading Advertising Agency, with billings in excess of £50m, wishes to recruit a Financial Director/Company Secretary who will have complete responsibility for all financial and accounting matters.

Reporting directly to the Executive Chairman, the appointee will also be involved in, and expected to contribute to, the core group responsible for the management of the business.

It is unlikely that candidates under the age of 35 would be sufficiently experienced.

Qualified (most probably Chartered) candidates for this exciting and demanding position should be able to demonstrate an enthusiastic and determined attitude coupled with a sound and detailed approach to business matters. Previous experience in advertising is not essential but significant involvement in a fast moving service industry could be advantageous. The ability to communicate fluently is essential.

The excellent remuneration package will appeal to those who consider themselves to be in the upper quartile of their profession.

Please reply to Paul Frampton in strict confidence with details of age, career and salary progression, education and qualifications, quoting reference 1459/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
PO Box 207, 128 Queen Victoria Street, London EC4P 4JX

FINANCE DIRECTOR

Age 30-45 **£22,000 + Bonus + Car**

East Anglia

This opportunity arises in a £12m turnover manufacturing subsidiary of a large group with extensive overseas interests. The Managing Director seeks a committed, results-orientated Finance Director, who will be expected to improve costing systems, review and extend computerised systems, reduce overheads and improve the quality and timeliness of management information.

Candidates in the age range 30-45 should be qualified accountants and have strong manufacturing and costing experience. Assistance with relocation expenses will be paid where appropriate.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2277 to W.L.Tait, Executive Selection Division.

Touche Ross
The Business Partners
Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

Finance Director

(designate)

Leeds *c£25,000+bonus, car etc*

Our client, a profitable and expanding sub-group belonging to a well known public company, wishes to appoint a practical and commercially minded accountant to this key position.

The successful applicant will report to the Managing Director of this specialised and autonomous sub-group and be responsible for all financial aspects of the growing business including acquisitions. In addition, he/she will participate as part of a highly professional and commercial executive team in the determination of sub-group policy and commercial strategy.

Candidates, aged over 30, must be in possession of a major accounting qualification with at least 7 years experience in a senior financial position most likely from within an expanding and developing environment. In addition they must have strength of personality, enterprise and the ability to communicate successfully at all levels.

In addition to salary, benefits will include a fully expensed car, bonus, pension scheme, medical insurance scheme etc. Removal costs will be reimbursed should the successful applicant require to move home to take up this appointment.

Please write in confidence, with full CV detail and quoting MCS/7161, to Michael R. Andrews, Price Waterhouse, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse
Business Needs Experts.

Accountant

c. £12,000 - £14,000

The company is one of 28 statutory water undertakings responsible for the supply of water to a population of 750,000 in the North-West of London and South-West Hertfordshire

A vacancy has arisen for a professionally Qualified Accountant (ACCA, IPFA, ICMA or CA) and is particularly suitable for a person in the 25-35 age group anxious to further their career and gain all-round experience in a busy and forward-looking Finance Department. The department is currently developing its long-term financial strategy and improving its management accountancy service throughout the company by the progressive computerisation of its systems linked to the devolving of budget preparation and control to Line Managers. The Accountant, who will report to the Principal Accountant, will be required to assist him in meeting the demands of the 1985 Companies Act, SSAPS, Taxation and Finance Acts.

The company offers every encouragement to its staff to develop their careers as well as providing excellent social and recreation facilities. A comprehensive relocation package is available in approved cases.

The Chief Accountant (Mrs S. Lanning) will be pleased to discuss the role of the post in more detail. Telephone Watford 23333 ext 250.

Applications must be made on forms available from the Personnel Officer and should be returned not later than 4th June 1985.

The Colne Valley Water Company
Blackwell House, Aldenham Road, Watford, Hertfordshire WD2 2EY
Telephone Watford (0923) 23333

Financial Controller

London NW8 **c£18,000 + Car**

The UK subsidiary of an international computer company has, through promotion, created a requirement for a commercially sound and qualified accountant aged 26-32 to work closely with technical, sales and general management.

The company, with a turnover of £10m, has a manufacturing facility in Bristol. Based in the London office you will be responsible for the finance function in Bristol with the emphasis on the review, analysis and interpretation of management information. However, your main contribution will be made in contract negotiations with customers where cash flow, credit control and financing will be important constituents.

There is therefore regular contact with non accountants and the appointed person must be able to relate to the varying demands of colleagues and customers.

In addition to the salary, a substantial bonus based on results and performance has been given regularly. Career opportunities are as one would expect of an expanding and successful company.

Contact John P. Sleigh FCCA, on 01-405 3499 quoting ref: J/71/CF

Lloyd Management
125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Management Accountant

North East, to £14,000

An excellent career opportunity for a high calibre qualified accountant to join a significant and successful international group, based at one of their major European manufacturing centres. The environment is fast moving and exciting, with reporting to exacting deadlines and fully computerised business systems have been the subject of considerable capital investment. Reporting is to the Chief Accountant and prime responsibility is for the control and development of the costing function, with specific emphasis on the integration of detailed product costing information with data based production and inventory control systems. Additional key tasks include the preparation and analysis of budgetary and monthly management information. Candidates aged 25 to 35, qualified ACMA or ACCA, will be able to demonstrate significant success in a cost or management accounting role in a manufacturing environment utilising fully integrated computerised accounting techniques. Benefits, including relocation assistance where necessary to this attractive part of South Northumberland and career development prospects are excellent.

Male or female candidates should telephone in confidence for a Personal History Form or submit a comprehensive c.v. to: *A.D. Kelly, 4 Mosley Street,* NEWCASTLE UPON TYNE, *NE1 1DE.* 0632 327455, *quoting Ref: 44244/FT.*

GROUP ACCOUNTANT

WC1 £15,000 Neg

Large, expanding group of 16 companies requires a fully qualified ACA or ACCA to work in the group accounts office with the chief accountant. This is a very pressurised environment. Experience of internal audit helpful.

FINANCIAL ACCOUNTANT

SW20 To £20,000

This position offers excellent prospects for a local person to become Financial Director within 6 months. Responsible for financial and management accounting you'll be working on a Nixdorf computer-ised system

Contact –
Mr J. Butler, 131/133 Cannon St. London EC4 - Tel: 01-283 7633

BROOK STREET ACCOUNTANCY
All an employment service should be

Accountancy Appointments

Head of Financial Services

c£20,000 + car — London SW1

Our client, a major and dynamic professional partnership, wishes to appoint a qualified accountant to take responsibility for the management of financial and accounting services.

This is a new post, at senior level carrying considerable responsibility. The successful candidate will take overall charge of all accounting functions throughout the firm. Particular emphasis will be placed on upgrading current systems to serve better the client's needs following a substantial growth in business which it is planned to continue. The major initial task will be to supervise the computerisation of the central accounting system.

Candidates should be qualified accountants, preferably in their 30's, who have experience in commerce or industry particularly concerned with computer development and the maintenance of technical excellence. They should be used to managing staff and liaising with professionals in a variety of disciplines.

Benefits include life assurance and PPP.

Please write, stating how you meet our client's requirements, quoting ref no 1415 to:

BinderHamlyn MANAGEMENT CONSULTANTS

Anne Knell, Executive Selection Division, Binder Hamlyn Management Consultants, 8 St. Bride Street, London EC4A 4DA. Telephone 01-353 3020.

Group Finance Director

Scotland — c.£30,000 + fringe benefits

Our client is a diversified manufacturing group being restructured and which consists of a number of relatively autonomous and highly profitable subsidiaries. It is planned to expand these companies and expansion could be rapid.

Reporting to the group managing director, the person appointed must be capable of inspiring confidence in financial and banking circles, and of gaining the respect of operating management. A good all round commercial sense is essential although prime responsibilities will be financial and accounting. Assisted by a small head office team the appointee will be responsible for interpreting results to top management, ensuring adequate controls and systems in the group, treasury control and carrying out ad hoc projects, such as acquisitions.

The need is for a professional, qualified accountant (preferably FCA or CA), aged 35 to 45, who has worked in a senior position with a manufacturing group, or subsidiary, known for the quality of its management and controls. Experience in the design and implementation of computer based systems, particularly in the areas of management accounting and costing, is important.

The profit and growth potential of the group present an opportunity to make a significant personal contribution which will be rewarded by an attractive salary; removal costs if appropriate will be paid.

Please reply in confidence, enclosing career details and quoting reference 6440/L, to J. Scott, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

Financial Controller
General Management Opportunity

West London — c.£25,000 + car

Our client is the U.K. subsidiary of a Fortune 500 company. Established initially to market and distribute the firm's products in this country, it now has advanced plans to start a manufacturing operation. Its products, in the data processing area, lead the market in quality and its factory operations are 'showpieces'.

A Financial Controller is required who will take responsibility for establishing efficient accounting procedures for the operation as it stands, and will work closely with the Managing Director in the establishment of the manufacturing plant. As a key member of the U.K. management group, the person appointed will be expected to make a significant contribution in all areas of financial and general management.

Qualified accountants, aged 30-40, with a number of years experience in a marketing-led environment are invited to apply. Experience in high technology manufacturing would be an added advantage. A high degree of energy and commitment will be required to successfully establish this new venture and rewards will include real general management opportunities in the short to medium term.

Please write in confidence, enclosing career details and quoting reference 3239/L to Valerie Fairbank, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.

PEAT MARWICK

ACCOUNTANCY APPOINTMENTS
APPEAR EVERY THURSDAY

Rate £37.00 per single column centimetre plus VAT

Oil Exploration
Play an Active Role

Control your own role and enjoy a full and varied workload with a US independent oil company. Alert, flexible and financially strong, its UK office takes charge of oil exploration and production activity throughout Europe, Africa and the Middle East. This includes a share of two producing oil fields and a number of discoveries under appraisal and development.

Chief Accountant
c.£30,000 + car

You will be responsible for statutory and management accounting, taxation and systems, and can anticipate promotion within 12 months. A qualified accountant, you have around 8-10 years' broad accounting experience, most of which will have been gained from an oil company. You are capable of making a significant contribution to local decisions and have the flexibility to operate effectively within a small and compact organisation.

Newly Qualified
c.£16,000

You will prepare budgets and forecasts, monitor expenditure and produce financial statements, working in dual currency and to US standards. An ACA or ACMA and of graduate calibre, you have recently qualified and could now be seeking your first position in industry. You work well in a small team, are familiar with using PC's and can cope with a broad range of duties.

Both positions are London based and command a comprehensive benefits package. They provide a high level of exposure to oil company activities and the scope to develop professionally.

Please telephone or write to Sue Jagger of Cripps, Sears & Associates Ltd, Personnel Management Consultants, 88-89 High Holborn, London WC1V 6LH, Telephone: 01-404 5701.

Cripps, Sears

Financial Controller

C. London — c £20,000 + car

Our client is a rapidly expanding private group of companies (current turnover £15 million) who specialise in retail and distribution throughout the UK.

A commercially minded accountant is required to head a department of over twenty and assume overall control of the day to day financial and management accounting responsibilities, to include budgetary control and consolidations. In addition to reporting directly to the Group Finance Director, you will work closely with the senior management of the group's operating subsidiaries.

Likely to be a qualified accountant in your 30's, you will be highly organised and assertive with strong man management ability. Previous experience within a retail/distribution environment and a knowledge of computer based accounting systems would be advantageous. Candidates with the required level of ambition and self motivation will be offered an attractive remuneration package including a fully expensed company car and other fringe benefits.

Applicants should write to Nick Baker FCA, Executive Division, enclosing a comprehensive c.v., quoting ref 254, at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

CENTURY FACTORS
FINANCIAL DIRECTOR
(DESIGNATE) Age 30+

Century Factors is a subsidiary of Close Brothers Limited and is an expanding debt factoring company shortly relocating to the home counties.

This is a new appointment which offers an exceptional career development opportunity for an ambitious qualified accountant who enjoys working in a demanding and fast moving company. Reporting direct to the Managing Director you will be responsible for all aspects of the finance function including development of computer systems and strategic planning.

Flexible compensation package commensurate with experience and calibre.

Applications to:—
Leslie Bland
Managing Director
Century Factors Limited
60 Princess Street
Yeovil BA20 1HL
A member of Close Brothers Group plc

FINANCE MANAGER

up to £24,000 p.a. + Executive Company Car

ROLM is already well known in the U.S. for being one of the most prestigious and commercially successful names in the fast growing business of communications. That reputation will soon spread to Britain, now that we're setting up ultra-modern facilities in North Wiltshire for our European operations. ROLM is a subsidiary of IBM with revenues of more than half a billion dollars — a company that's bound to make a tremendous impact on this important market.

Now there's an opportunity for you to share in our future success, because we're looking for someone to fulfil the role of Finance Manager.

The responsibilities of the position will be wide and varied: financial accounting and related statutory reporting, extending to your involvement in foreign currency transactions, banking relationships, taxation, insurance and management accounting. In addition you will be required to set up accounting systems and procedures and establish sound financial controls.

The successful applicant will be a qualified accountant with sound practical experience ideally gained in a manufacturing environment, together with some knowledge of PC based accounting systems.

As we're a company that's dedicated to growth as much as we are to success, we can offer excellent career prospects to the highly motivated.

The rewards are high and will include a salary of up to £24,000 p.a. plus an executive company car. On top of this, it's a great place to work and live — all the benefits of a fast developing area, combined with beautiful countryside.

If you like the idea of making your hard won experience work for you then send your detailed c.v., quoting reference 71/JF/85 to David Seddon, Personnel Director, ROLM Europe Ltd, c/o Austin Knight Selection, Knightway House, 20 Soho Square, London W1A 1DS.

ROLM An IBM Company

Austin Knight Selection

Senior Opportunities in Finance

IAL is a major international company, recognised as one of the leading organisations in the fields of aviation, computer and medical services and advanced telecommunications.

We now have the following opportunities at our international headquarters near Heathrow Airport.

Comptroller
up to £20,000 pa + car

Leading a team of highly qualified staff engaged on the appraisal of group companies' performance, ad-hoc financial investigations, acquisitions and disposals, financial planning and group taxation matters.

You will be a fully qualified accountant and, ideally, have a business studies qualification. Senior level experience of this kind of work is essential and should have been gained in an international commercial environment. Ref. K251/01.

Treasury Accountant
to £16,000 p.a.

A qualified accountant or banker with job-related experience ideally with a degree in economics or business studies. Responsibilities will include cash flow management; monitoring and management of foreign exchange exposure; currency dealing and the monitoring of loan and interest payments. You will also assist business groups in assessing funding, borrowing and bonding requirements on new and existing business. Ref. K251/02.

For further details of these key appointments, please telephone, or write to: the Recruitment Executive, quoting the appropriate reference number.

IAL Financial Services
Aeradio House, Hayes Road, Southall, Middx UB2 5NJ. Tel: 01-574 5134.

A MEMBER OF THE STANDARD TELEPHONES AND CABLES PLC GROUP

LEWISHAM AND NORTH SOUTHWARK HEALTH AUTHORITY
Director of Finance

c£22,950 to £25,957 per annum

Lewisham and North Southwark is an Inner London Health Authority with a revenue budget of £98 million per annum. We include Guy's and Lewisham Hospitals and we have an international reputation for delivering health care of the highest standard. Over the next ten years we are due to lose about 10% of our revenue budget in regional resource redistribution. We will need strong financial advice and leadership. We are now piloting a system of clinical budgeting designed to make the optimum use of our resources, and we are developing value for money and cost improvement programmes.

To ensure these exciting initiatives succeed, we need an experienced financial specialist to become a member of our newly established District Management Board. Candidates should be qualified accountants with a proven record in key areas such as budget management, computerised information systems and the management of change. Previous NHS experience is not essential.

Accountable to the District General Manager, the post holder will be responsible for advising the DGM, the District Health Authority, the District Management Board and the management units on the full range of financial and information issues. Financial services within the units will be provided by unit finance directors, responsible to the unit general managers but with professional accountability to the Director of Finance.

For an informal discussion, further details and an application form, please contact Kathy Doran in District Administration, Lewisham and North Southwark Health Authority, Mary Sheridan House, St. Thomas Street, London SE1 9RT. Telephone: 01-407 7600, ext. 3599.

Closing date for applications: 7th June 1985.

Group Accountant

We seek a young Chartered Accountant to develop and run the diverse accounting arrangements of a small, well-established and growing financial services group. Experience of stockbroking audits is essential, and of banking audits helpful. The candidate should be ambitious but tactful, and able to integrate well with a small management team. It is likely that the successful candidate will be drawn from a company in a similar field or direct from an accounting firm.

Salary depends on qualifications and experience, and prospects are excellent.

Please write with detailed c.v. to Box A9004, Financial Times, Bracken House, 10 Cannon Street, London, EC4P 4BY.

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Finding that next crucial career opening can take a lot of time, effort and expense.

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An effective, streamlined system, it's designed to get you on the shortlist for top positions in minimal time — at no cost to you.

Currently, we have a wide number of attractive positions in the £13,000 - £30,000 range with leading companies throughout the UK.

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For full details of our free, confidential services, forward the coupon to: Michael Polley, FCA, MBA, Hall-Mark Appointments Register, FREEPOST, London W6 9BR.

Name

Address

FT16/5

Accountancy Appointments

Financial director – designate

South Derbyshire, c£22,500 + car

All jobs are described as exciting – but this one really is! A brand new plc with the funds available to support profitable growth, building on present turnover of £13 million. Operating nationally from a number of locations it offers a specialist industrial service to a broad range of companies.

You'll enjoy the style of the MD and the other board members – under 40, enthusiastic and with a record of successful decision making. Routine accounting is excellent, so your main thrust will be commercial: business and profit planning, performance monitoring and cost control, further developing the computerised systems.

A qualified accountant with commercial orientation, you need the ability to bring numbers to life in the boardroom and on the shop floor: strong personality, high energy level and a sense of humour! Age indicator 30 to 35.

Please write enclosing a curriculum vitae and daytime telephone number to Stephen Blaney, Executive Selection Division, Ref. B242.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

5 Albion Place
Leeds LS1 6JP

Senior Accountant

West London **c.£13,000-£15,000**

Our clients are the UK subsidiary of a substantial French group operating large pipelaying barges for use in the oil industry, mainly in the North Sea. They are in the process of setting up an office in Alperton and seek to recruit a Senior Accountant to help control logistic activities relative to offshore activities.

The successful candidate will be responsible to the Chief Accountant for the control of the accounts department, the development of computer systems which are linked on-line to the parent in Paris, and for monitoring cashflow, foreign exchange, contract costs, current accounts and budgetary control, supported by a small staff.

Applicants should be qualified accountants, preferably aged 25 to 30 with relevant experience of financial management, preferably in the oil industry. Some fluency in French would be valuable.

Please write in confidence with full details of previous experience and quoting reference E2798 to J. W. Hills, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.

PEAT MARWICK

Chief Accountant

South-East Head Office-based
c. £17,000 + car
plus generous overseas travel allowance

Our client is a successful group of contracting companies operating on an international basis, with large projects throughout the world.

It wishes to appoint a Chief Accountant whose prime task will be to direct and co-ordinate the various overseas accounting functions, and applications are invited from suitably qualified accountants, preferably FCAs, aged 35-45.

This key post requires exposure to all facets of the group's activities, so previous experience in the field of engineering construction and a working knowledge of management accounting, together with statutory and fiscal requirements, particularly in the Third World, are important. This role will involve frequent short-term overseas travel and requires high-level communication and management skills.

Your initial salary will be circa £17,000 plus generous overseas travel allowance. A comprehensive remuneration package including car, contributory pension, health care and relocation expenses, if necessary, reflects the seniority of this appointment.

Please send full cv, including current salary, which will be forwarded to our client unopened, Ref: R2032/FT. (Address to our Security Manager if listing companies to which it should not be sent.)

PA

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

Finance Specialist

Bristol **c£18,000 plus car**

Our client is a £200 million turnover European company and part of an international group heavily involved in minerals, development and investment. The group headquarters based in Australia has identified the need to recruit an internal audit specialist to be based at the European head office in Bristol.

Responsibilities will include:

★ Research and implementation of improvements to existing services.
★ Planning and development of long range audit programmes.
★ Coordination with external auditors.
★ Coordination of EDP audit assignments.

The successful applicant will work with a large degree of autonomy and consequently a mature approach to client relationships is essential. Emphasis will be placed on providing a service to all levels of management with the intention of improving bottom line performance.

Applications are invited from graduate qualified accountants, aged 28-40, who will be prepared to travel up to ten weeks per year, therefore a language ability would be advantageous.

The excellent remuneration package includes a fully expensed car and relocation expenses will be available if necessary.

Interested candidates should write to **Adrian Wheale ACMA, ACIS,** enclosing a comprehensive curriculum vitae, quoting reference B8036, at **Michael Page Partnership, St. Augustine's Court, 1 St. Augustine's Place, Bristol BS1 4XP.**

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow
Brussels New York Sydney

Financial Controller

Leading advertising agency

This long established and fast expanding advertising agency, part of a major public group, is one of the UK market leaders and has a large and prestigious range of clients. A strong emphasis on research, strategic planning and investing in professional and creative teams has contributed to the company's growth and success in recent years.

In this newly created position, the financial controller will report to the Financial Director and will be responsible for the organisation and day to day management of the finance function. This will entail maintaining tight financial control, supervising the regular flow of management information and enhancing the computerised systems to meet the requirements of an expanding business.

The requirement is for a qualified accountant, aged around 35, with experience of managing a substantial accounting team, ideally in an advertising or service company. Exposure to modern computer systems is also sought, coupled with strong technical, communications and management skills.

Remuneration: up to £30,000 plus a car and other benefits.

Location: Central London.

Please write in confidence to CT Garcia (Ref 771).

KMG Thomson McLintock
Management Consultants
70 Finsbury Pavement London EC2A 1SX

Director

Finance and Administration
c. £25,000 p.a.

The Greater London Enterprise Board is seeking a new Director of Finance and Administration to replace the present director who is leaving to take up an appointment as Director of Finance and Operations in the Cable Authority.

You will report directly to the Chief Executive and take an active part, with the other divisional directors, on the Board's Management Committee. An established team of qualified and experienced accountants and administrators will assist and support you in this position. It is expected that the successful candidate will be appointed Company Secretary.

You will be an experienced and qualified accountant with a proven track record in administration and financial management. Your experience will have been gained at a senior level in the public, private, co-operative or commercial field. A commitment to the overall objectives of the Board's work is essential.

The Board was established in 1982 and currently employs over 80 staff. It has nearly 200 projects of which 150 involve financial investment covering the whole range of high technology to traditional industries. It is active in the promotion of economic opportunities for ethnic minorities, the development of co-operatives and industrial participation. It has a large property and land development portfolio.

The Board will particularly welcome applications from Women and people of Ethnic Minority backgrounds.

Applicants should send their detailed CV to:

Alan McGarvey — Chief Executive, Greater London Enterprise Board Limited, 63-67 Newington Causeway, London SE1 6BD.

The Greater London Enterprise Board is an equal opportunity employer, and applications are welcome from candidates regardless of sex, race, nationality, age, or marital status and from registered disabled persons.

Greater London Enterprise Board

Morgan Grenfell & Co. Limited

Accountant
Investment Division

Morgan Grenfell & Co. Limited wish to recruit a young Accountant to fill a newly created position within their Investment Administration Department.

The successful applicant, reporting to the Head of Department, will assist in a broad range of responsibilities including systems development, accounting, budgeting, financial control and administration, and will undertake various ad hoc assignments, creating an ideal opportunity to gain a broad knowledge of international investment operations.

Remuneration for this position will be based on experience and benefits will include a preferential mortgage scheme and non-contributory pension scheme.

Applications, including brief details of career to date, are invited from newly qualified Chartered Accountants with some experience of auditing financial institutions and should be sent to:

Helen Rigby, Personnel Manager
Morgan Grenfell & Co. Limited
23 Great Winchester Street, London EC2P 2AX

CONTROLLER, FINANCE AND ADMINISTRATION

HIGH TECH INDUSTRY

Teddington, Middx. **c.£17,500 + car**

The Company is a young, expanding business which has established itself as the acknowledged leader in a market with enormous growth potential. It provides computer based information systems to the health care industry. The Company is based in the UK and markets its products in Europe, the Middle East and the Far East.

Due to a recent promotion within the Group they now require a new Controller. Reporting to the Managing Director the successful candidate will have full responsibility for all financial and management accounting, together with a broad range of administrative functions.

Applicants should be qualified accountants (probably in their early thirties) who combine relevant technical expertise with commercial experience.

Please send a comprehensive career resumé, including salary history and day-time telephone number quoting ref: 2267/FT to G.J. Perkins, Executive Selection Division.

Touche Ross
The Business Partners
Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

Hoggett Bowers

Executive Search and Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR
CITY DIVISION

Client Accountant/Advisor

Accounting Services Division
City, Substantial salary, plus car, plus Banking Benefits

Our client is a young and fast growing Financial Institution which is a subsidiary of a major U.S. Company, providing a range of banking services internationally. Growth to date has been outstanding. A new activity recently introduced is the provision of day to day accounting services and financial advice for a range of clients.

The successful candidate will take full responsibility for this, servicing the existing clients and actively seeking to build up this section of the group.

Applicants, aged 25+, must be qualified Chartered Accountants with a minimum of two years post qualification experience which will include Multicurrency Accounting Systems, Computerised Accounting, U.K. taxation and a knowledge of accounting techniques for International Trade and Foreign Exchange. This will have been gained in a banking, commodity or international trading house environment. An excellent opportunity within an aggressively expanding organisation.

A.L. Weston, Ref: 22/FT. Male or female candidates should telephone in confidence for a Personal History Form 01-628-4200 Ext 286/7/8, *City Division, International Business Centre, 2 London Wall Buildings, London Wall,* LONDON, *EC2M 5PP.*

Chief Internal Auditor

Our client, a highly profitable £150m turnover group of companies, seeks a professionally qualified accountant to assume total responsibility for the internal audit function, investigating a wide range of financial and operational systems at 125 U.K. cost centres, including head office.

Specific areas of responsibility will include reporting on effectiveness and efficiency of all financial and administrative systems, developing computer-based internal audit methods and playing a key role in the design and employed either in the profession or in industry/commerce.

In addition to holding a recognised accountancy qualification, you will have gained recent audit experience within a multi-million turnover business, employed either in the professions or in industry/commerce.

You are likely to be aged 28-33, although age is not a barrier for exceptional candidates.

Based in a pleasant Sussex location, an excellent salary package is negotiable with outstanding personal career development prospects available.

Please apply in confidence to: Stephen Mawditt, Managing Director

Senior Management International

Executive Search Consultants
Landseer House, 19 Charing Cross Road, London WC2H 0ES
01-839 2841

FINANCIAL ACCOUNTANT ACA/ACCA

LONDON W1 — £16,000
FINANCIAL SERVICES DIVISION OF A LEADING RETAIL GROUP

offers an excellent opportunity for a recently qualified ACA/ACCA to join our team.

The successful applicant will be responsible to the Finance Director for management information and financial reporting for a group of companies. He/she is likely to be highly motivated and familiar with computerised accounting systems. The position requires a wide range of skills to assist a rapidly-expanding and independently-profitable Group achieve its long-term aims and objectives.

A substantial bonus related to performance will be offered to the right candidate.

Please apply with full c.v. to:
Box A9002, Financial Times
10 Cannon Street, London EC4P 4BY

Accountancy Appointments

Accountancy Appointments

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

Rate £37.00 per single column centimetre (Plus V.A.T.)

Funding Commercial Dreams

Director (Designate) Neg. £20K-25K

The owner-directors of our client company are young, hard-working and successful entrepreneurs. They are committed to seek a public flotation within the next few years. Their style is informal and friendly, but exceptionally professional.

Operating in a fiercely competitive sector of the communications business for little over a decade, they have established a profitable £2m turnover business, covering commercial films, set construction, hire of scenery and props, in addition to property and other interests.

Significant future commercial development plans have created the need to appoint a financially-biased professional to provide proactive advice to the principals and assist with the general management of their business interests. Current projects include negotiations for much larger premises in south London.

Candidates naturally will have the technical expertise and City contacts to establish the complete financial management functions required for future operations. Of even more importance will be their ability to earn rapidly the trust and confidence of people operating in this most unusual, exacting environment.

Please write in confidence to Peter T. Willingham, quoting reference 61. Attach sufficient detail to explain why we should meet to discuss this appointment. The address is Spicer and Pegler Associates, Executive Selection, 56-60 St. Mary Axe, London EC3A 8BJ.

Spicer and Pegler Associates
Management Services

FINANCIAL CONTROLLER

Dover **c. £18,000 + Car + benefits**

Our client is a small, but successful and expanding company involved in shipping and freight forwarding.

Currently managed by a young and dynamic team, they are now wishing to appoint a Financial Controller to take over total responsibility for the accounting function, reporting jointly to the Finance Director and the Managing Director.

This is an ideal opportunity for a qualified Accountant, aged 28 to 34 years, to join a growing concern which can offer excellent prospects for future career development. Previous experience within shipping/freight forwarding is essential.

Written applications, including up-to-date Curriculum Vitae are to be forwarded to Robert N. Collier or Neil Gillespie at our London address, quoting reference number 5267.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

ANALYTICAL INSTRUMENTS LIMITED

are seeking a

GROUP FINANCIAL CONTROLLER
COMPANY SECRETARY

c.£20-£25,000+ COMPANY CAR

The Group, which operates on a worldwide basis, is involved in high technology instrumentation. The person appointed will be responsible to the Group Chief Executive and will be based at the group's headquarters on the southern outskirts of Cambridge.

We require an experienced and well qualified Accountant who is capable of dealing not only with the practical financial role of a rapidly expanding international group (current turnover £10 million) but also of contributing to the successful development of the business. The group, which is profitable, is intending to seek a Stock Market quotation in the foreseeable future.

Please reply in writing, with full details of personal circumstances and education, and career and salary progression to:

Geoffrey Bray, Group Chief Executive
ANALYTICAL INSTRUMENTS LIMITED
London Road, Pampisford, Cambridge CB2 4EF

or telephone Mrs Sheila Jones (0223 834420) for further details

FINANCIAL CONTROLLER-PUBLISHING

The Institute of Physics, through its Publishing Division based in Bristol, is responsible for the publication of some 30 learned journals and about 100 new scientific, technical and medical titles each year. Due to expansion we now require a qualified accountant with first-class commercial experience to take up a new position as Financial Controller reporting directly to the Financial Director. The main responsibility will be the preparation of financial and management budgets and accounts with special emphasis on performance analysis. Wang mini and micro-computers are used extensively throughout the division.

This is an excellent career opportunity in financial management. Salary negotiable; benefits include pension scheme with life assurance, assistance with relocation costs, etc.

Please write in confidence, with full details of qualifications and career to Bruce Spence, F.C.A. Financial Director, The Institute of Physics Publishing Division, Techno House, Redcliffe Way, Bristol BS1 6NX.

Accountant Nigeria

Substantial salary package

The John Holt Group is one of the major trading and manufacturing organisations in Nigeria, with a turnover in excess of £250 million. The Group has substantial investments and is developing new manufacturing industries, as a consequence of which, an additional Senior Accountant is required.

The duties will include the establishment of management and financial accounting systems for new projects, investment appraisal and internal audit of existing systems.

Applicants must be qualified accountants with substantial auditing experience and able to show an ability to operate at a senior financial level. Experience in a developing country would be an advantage.

Terms and conditions include attractive salary, two leave passages per year for self and family, car and free accommodation.

Please write or telephone for an application form to:
Mr E P Parkes, Divisional Personnel Manager, John Holt Group Ltd., 380 India Buildings, Water Street, Liverpool L2 0QF. Tel: 051-236 8881.

JOHN HOLT GROUP LTD

Financial Controller

c £18,000 **London NW6**

Our client, Pip UK Limited, a franchise print operation, wishes to appoint a Financial Controller reporting to the Managing Director.

The main responsibilities of the post will include the management of the company's accounting and finances, assistance to prospective franchisees and working with present franchise owners on financial matters. The parent company is American, and the successful candidate will need to report regularly to the States.

Candidates should be qualified accountants with commercial experience. They must be comfortable with computerisation and able to manage a small team. They should have experience of raising finance and developing effective bank relationships.

Benefits include BUPA, Life assurance and long term disability insurance.

Please write, stating how you meet our client's needs, quoting reference 1414 to:

BinderHamlyn
MANAGEMENT CONSULTANTS
Anne Knell, Executive Selection Division,
Binder Hamlyn Management Consultants,
8 St. Bride Street, London EC4A 4DA.

Tax & Treasury Manager

Surrey **c£16,500 + car + benefits**

A major service group with a high public profile, has, due to re-structure identified the need to appoint a young qualified accountant to this challenging role.

The initial brief is to provide specialist taxation including VAT advice at group level, optimising investment income from substantial cash flows in line with company policy and commentate on the performance of the groups substantial investment portfolios.

Further responsiblities including evaluation of potential acquisitions will be added later.

Being committed to expansion the group will wish to develop the career of the new job holder.

Contact Patrick Donnelly on 01-222 5169 quoting Ref. FT/69

tfi **The Finance Index**
Financial Recruitment Consultants
11 Palmer Street, London SW1A 0AB Tel: 01-222 5169

The Institute of Chartered Accountants in England and Wales.

YOUNG CHARTERED ACCOUNTANT around £18,000–£20,000

The Institute is looking for a Chartered Accountant, aged about 27-32, to work in the Technical Directorate at Moorgate Place. The post will be within the Directorate's Parliamentary and Law area, but will include development of policy for the Institute across a wide range of issues that are of major importance for the future of the profession.

The successful candidate will require good analytical ability, technical knowledge and communication skills. The job will involve regular contact with senior members of the profession and with government.

The post offers excellent opportunities for career development, both within the Technical Directorate and in the profession.

Contact Michael Hoyle

CHARTAC RECRUITMENT

Chief Accountant

£16–18,000 + Car

Candidates should be fully qualified (ACA/FCA) with several years experience. To be responsible for all aspects of the accounting function and for the efficient day to day running of the accounts department.

A career opportunity with excellent prospects. Applications in the first instance to the Managing Director.

Tarex Berger
and Associates Limited
The Glanty, Egham, Surrey TW20 9AH
Telephone Egham (0784) 33711 (10 lines)

FINANCIAL MANAGER ESSEX

C. £18K + Car

Ozalid (UK) Limited is a wholly owned subsidiary of Océ-van der Grinten N.V. As a market leader in the reprographics industry, we are in the forefront of advanced technology with exciting future growth prospects.

A promotion within the Océ group creates an excellent opportunity for a person of suitable financial or business studies background to join us as Financial Manager. The principal responsibilities of the job, which reports to the Financial Director, will be to manage a staff of 30, producing accounts to local, corporate and statutory requirements. The job also incorporates the development of systems and procedures for internal financial and company controls, utilising personal computer and mainframe facilities.

Applicants must have a financial and administrative background; will probably hold an appropriate degree or financial qualification, and will possess the energetic and creative personal qualities which the job will demand.

Please send a current c.v., including details of current remuneration package, to: Company Personnel Executive, Ozalid (UK) Limited, Langston Road, Loughton, Essex IG10 3TH

OZALID

astms

National Officer (Finance)

London **c £20,000 plus car**

The Association of Supervisory, Technical and Managerial Staffs with 800 branches in the UK, Republic of Ireland and overseas has an annual income of over £9 million and now wish to appoint a National Officer (Finance).

The successful applicant will be responsible to the General Secretary, Clive Jenkins, for the financial and membership administration of the Union and for a substantial direct staff. An ICL ME 29 computer is in use and the system is poised for further development. Ideal candidates, male or female, must be qualified accountants with demonstrable experience of the management of a substantial financial function and the development of computer systems.

The remuneration package includes a salary of circa £20,000 plus use of car and contributory index-linked pension scheme.

Please write with full career details to A. J. Edmondson, quoting reference 4094.

INBUCON MANAGEMENT CONSULTANTS LIMITED
Executive Search and Selection
Knightsbridge House, 197 Knightsbridge London SW7 1RN

INBUCON

International Appointments

Accumulate £15,000...
FINANCIAL DIRECTOR DESIGNATE — ZAMBIA

Age 27 — 35 years **Substantial Executive Overseas Benefits package and salary**

Our client is a long established, profitable and expanding UK based international shipping services group, with particular interests throughout Africa. They now require a Financial Director Designate for their Zambian subsidiaries which currently have a turnover approaching 37 million kwacha.

Reporting to the Managing Director, his/her task is to enhance and maintain the financial and management accounting services required by the company and the Head Office.

Applicants, probably aged in their late 20s to mid 30s, should be qualified accountants with at least five years industrial/commercial experience. A high level of self motivation and the ability to manage staff are essential.

The emolument package will comprise a generous salary, and a substantial overseas benefits package. The opportunity exists for career development within the group.

Written applications, in strict confidence, to Robert N. Collier or Neil Gillespie at our London address quoting reference number 5196.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PE Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management
Recruitment Consultants

Merchant Banking Group

Career opportunity for International Banker

Mid Thirties **c£40/45,000**

Our Client, one of the leading European Commercial and Merchant Banking Groups, seeks to recruit a trained Banker to work initially in West Africa and to move into a senior post in their London-based International Finance Team, which concentrates on projects, trade related finance and Syndications on a world-wide basis, in some two years' time.

This is an outstanding opportunity for either a London-based merchant banker who wishes to gain on-the-ground experience or, alternatively, a member of the foreign service side of a major international retail bank who wishes to move into merchant banking. A good knowledge of Letters of Credit and a flair for marketing are particularly important in the initial posting which also requires an aptitude in the administrative and accounting areas.

Remuneration in the initial contract period will be at a rate around £40/45,000 per annum plus expatriate package, including housing, travel, normal tax benefits etc.

Please write initially, enclosing a detailed CV and quoting ref. 639, to Colin Barry at Overton Shirley and Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD.

Overton Shirley & Barry
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

Bank of New Zealand

Foreign Exchange Traders

As a result of planned expansion of the Bank of New Zealand's global network, we are pleased to have been appointed to assist in the selection of additional foreign exchange dealers.

Hong Kong
Treasury Manager – Chief Dealer

This new operation is due to open later this year. We therefore seek a high-calibre, well-qualified individual, probably aged 30-35 with at least seven years' relevant experience of trading in international markets, the most recent of which should have been Hong Kong based. Main responsibilities will be to establish the dealing room and build a trading team. Proven man-management skills are as important as an in-depth knowledge of all aspects of foreign exchange and money markets, including hedging, arbitrage and futures.

Wellington
Senior Dealer

For this position, applicants should preferably be aged 26-30 and have at least five years' relevant experience of all aspects of foreign exchange and money markets, latterly with a major name in the London market. It is envisaged that the successful candidate will take over as Chief Dealer in due course.

Wellington
Foreign Exchange Dealers

For these positions, candidates should preferably be in their mid-twenties possessing a minimum of two years' foreign exchange trading experience with a good name in a major financial centre. Expertise in the futures and money markets would be an added advantage.

The above appointments present challenging opportunities to join a prestigious, expanding international bank and offer long-term career development prospects. Highly competitive remuneration packages are available, commensurate with age and experience.

In the first instance, please telephone or send a full Curriculum Vitae in strict confidence to **Roy Webb, Managing Director, Jonathan Wren International Ltd.**, 170 Bishopsgate, London EC2M 4LX, tel: 01-623 1266, telex 8954673 WRENCO.

London, Sydney

Jonathan Wren International Ltd
Banking Consultants

EMPLOYMENT CONDITIONS ABROAD LIMITED

An international Association of Employers providing confidential information to its member companies, relating to employment of expatriates and nationals worldwide

01-637 7604

WHO WILL MANAGE YOUR AMERICAN CO.?

American president N.A. subsidiary of UK electronics products company seeks new challenge with UK plc anxious for start-up of U.S. subsidiary or fast growth in sales/profits in the Americas.

Contact Mr. H. Bailey
44 Nottingham Road
Short Hills, NJ, USA 07078
Tel. 0101-201-467-0981 today

Worldwide Opportunities Leading to Line Management
Single or Married Status

One of the most advanced oil majors with revenues exceeding $60 billion is seeking to strengthen its corporate audit and EDP audit resources.

Our client's policy of promoting members of its worldwide audit team to line positions, after acquiring at least 3 years experience of worldwide operations, has led to these current vacancies.

Overseas assignments range from 2-4 months in any one location. The positions are suitable for both married and single status employees. A commitment to 100% travel is essential and fluency in at least one major European language is preferred.

Opportunities are currently available in audit and EDP audit review.

Candidates for audit review should be ACA's or equivalent, ideally with a large firm background, aged mid to late 20's. The EDP audit role demands an EDP systems or EDP audit background. Both positions require a high level of self motivation, independence and a demonstrable level of achievement to date.

The attractive remuneration packages include a **net** salary of c£13,500 plus expenses, married status travel and normal large company benefits.

Interested applicants should contact **James Forte** or **David Nicholson** on **01-831 0431** or write, enclosing a comprehensive c.v. to **Michael Page International, Sicilian House, Sicilian Avenue, London WC1A 2QH,** quoting ref 944.

MP
Michael Page International
Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

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Our client is a respected, international foreign exchange broker, located in an attractive city in West Germany.

In order to cope more effectively with their worldwide trade partners they need to expand their present broker team and are looking for qualified

Foreign Exchange Dealers

We are therefore interested in contacting candidates who can fullfill the following requirements:

- good education and professional training
- successful experience as a foreign exchange dealer with a bank or a broker
- ample knowledge of the national and international market
- sense of responsibility
- absolute reliability in all market situations
- willingness to undertake occasional business trips

Our client offers a very competitive salary for this position. In addition to a team of qualified experts, the new colleague will work on the latest technical equipment.

Please send us in *strict confidence your curriculum* vitae with all career details, including names of any organisations to whom your application should not be sent.

H.-G. HENRICH
Unternehmens- und Personalberatung GmbH
D-8000 München 81, Arabellastrasse 15, Phone 089/91 20 25

International Management and Personnel Consultants for the Financial Sector

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D.P. Audit Opportunities Australia

$ A30-50,000 **Banking** **25-40**

Our client is a large Australian Bank which is a highly sophisticated user of DP technology and has an extensive on-line network linking its 1500 branches nationwide. It is the first bank in the world to provide a national EFT/POS system and has a number of other domestic and international networks and applications.

The bank has a DP Audit staff of around 30 and is seeking the services of DP professionals who are able to make an effective contribution to the audit function and are prepared to take up a career in Sydney, Australia. Previous DP Audit experience would be a *considerable advantage, particularly* in the following areas:–

* **IBM Operating software (MVS, IMS, etc)**
* **Telecommunications (hardware, software)**
* ***Systems Development* (financial systems, project leader level)**

We would be pleased to hear from candidates with DP audit experience gained in commerce/industry or in the accountancy profession. Others with relevant skills should not be deterred from applying.

Salary is open to negotiation and will not prove a problem to the right candidates.

Please apply to Timothy Hoare or Jock Coutts, Career Plan Ltd, Chichester House, Chichester Rents, Chancery Lane, London WC2A 1EG Tel 01-242 5775.

Career plan LIMITED
Personnel Consultants

GULF AREA —
Financial Manager

A major petrochemical company in the Gulf area seeks an experienced Financial Manager to be responsible for managing:

— **All accounts and funds of the company,**
— **Short term and long term financial policy,**
— **Operating budget preparation and follow-up**
— **Marketing activities,**
— **Computerization of the main functions in the company.**

The candidates must be very familiar in negotiations at high level with local and international groups of banks, with some exposure to legal and contracts works.

Qualifications required:
(a) High diploma in the financial field
(b) At least, ten years experience in similar job
(c) Arabic shall be the mother tongue and English must be perfect. French could be an asset
(d) Age around 40 with maximum 50.

Interested applicants are requested to send their applications together with:
(a) Curriculum vitae
(b) Certificate of previous working experience
(c) Photocopy of diplomas
(d) Recommendation letters

TO: THE GENERAL MANAGER
P.O. BOX 756
DOHA — QATAR

not later than 27th May 1985

INTERNATIONAL APPOINTMENTS APPEAR EVERY THURSDAY
Rate £37.00 per single column centimetre plus VAT

International Appointments

T B G

The Thyssen-Bornemisza Group is a diversified international corporation active in three strategic units in Europe and North America. The turnover in 1984 amounted to Dfl 5 billion.

In view of the significant impact which interest and currency developments may have on the performance of the Group, we are seeking on short notice a high-calibre

FOREX MANAGER (M/F)

reporting to the Treasurer Europe, located in Amstelveen, The Netherlands.
The major tasks will be:
- —management of currency positions of holding and affiliated companies
- —handling and implementation of foreign exchange contracts, currency futures and options with subsidiaries and banks, and
- —management of short-term funding positions.

The suitable candidate, aged between 25 and 35, should have an excellent knowledge of trends in currency and interest markets and he/she should be able to spot and evaluate currency/interest developments, basing him/herself both on technical analyses as well as on economic and political publications and news bulletins.
He/she has the nerve to enter into open positions but also the preserve not to be in the markets from time to time, and is interested in the currency and interest issues facing an international corporation.

MUSTS:
- —education at least on HND level or equivalent
- —sound experience in the treasury of a bank and/or a large international corporation.

We will offer you excellent working conditions and career opportunities in our international group. Remuneration and other benefits will reflect the importance of the function.
Further information can be provided by Mr. J. G. Haars, Treasurer, tel. 20-456151, private 3438-15539. A psychological test may be part of the selection procedure.

Your written application, which will be treated in confidence, should be sent to

TBG EUROPE N.V.
HUMAN RESOURCES DEPARTMENT
P.O. BOX 218, 1180 AE AMSTELVEEN
THE NETHERLANDS

Senior Manager Operations
Middle East

Our client, one of the leading banks in the Middle East, with a large domestic branch network, is seeking to appoint a senior operations executive.
The successful candidate will assume overall responsibility for all operational aspects of the bank, including the bank's computerisation programme, new opportunities for mechanisation, simplification of methods and procedures and relevant training, as well as work methods and systems in general, both automated and manual, throughout the bank.
A qualified and experienced candidate is sought for this position, for which an attractive tax free salary is offered, coupled with generous fringe benefits. Maturity of personality and width of experience gained in a large banking or similar organisation are key requirements and candidates with these qualifications are invited to submit their Curriculum Vitae, in strict confidence, to the bank's advisor:
Robert Watsham, at **Jonathan Wren International Ltd.**, 170 Bishopsgate, London EC2M 4LX. tel: 01-623 1266, telex 8954673 WRENCO.

London, Sydney

Jonathan Wren International Ltd
Banking Consultants

Importante société industrielle d'Afrique Centrale

Recherche

DIRECTEUR GÉNÉRAL

- Cette fonction exige une expérience équivalente dans une Grande Affaire de Production, Construction, Réparation mécanique, Montage, Entreprises T.P.

  Elle exige également une expérience dans des Activités de Représentation d'Équipements de Grandes Marques Internationales.

- Le poste implique la Direction d'un important personnel local et expatrié et d'étroites relations avec les Autorités Nationales.

— Formation : Ingénieur Grande École
— Langues : Français - Anglais
— Age : 45 - 55 ans

Carrière effectuée en Afrique et en Europe

Envoyer C.V. manuscrit sous réf. 481 FT à
EUROMEDIA 48, rue de Provence
75009 Paris qui transmettra
(discrétion et réponse assurées)

JACKSON EXPLORATION, INC.

Jackson Kutei Basin Exploration Ltd., a subsidiary of Jackson Exploration Inc., the Dallas based international, independent company actively operating in Indonesia, Brunei, U.S.A. and Colombia is seeking four highly motivated self starters for the following Jakarta-based positions.
These career positions offer outstanding opportunity within an expanding organisation, in addition to an excellent compensation package.

Senior Exploration Geologist
Major company background. Minimum 7 year's experience, preferably onshore Indonesia. Experience in field surveys and subsurface carbonate exploration an asset.

Senior Interpretation Geophysicist
Major company background. Minimum 7 year's experience, preferably onshore. Previous carbonate interpretation experience required. Proven oil finders preferred.

Accounting Manager
Minimum 7 year's experience in public accounting or equivalent diversified experience with a major oil company. Responsible for financial control and reporting. Prior Indonesian experience a plus.

Joint Venture Manager
Minimum 7 year's experience with major oil company in joint ventures required. Good negotiating skills. Responsible for administration of joint operating agreement.

Send current resume and salary history to:
Jackson Kutei Basin Exploration Ltd.
40–41 Pall Mall, London SW1Y 5JG.
Attn: Richard L. McAdoo, Acting General Manager.

Company Notices

NOTICE OF REDEMPTION
EUROPEAN COAL AND STEEL COMMUNITY (E.C.S.C.)
US$15,000,000 6½% 20 Year Bonds of 1966
due 15th June, 1986

The Commission of the European Communities informs the Bondholders that a selection by lot for a principal amount of US$975,000 has been made for redemption in the presence of a Notary Public on 5th May, 1985 by Banque Internationale à Luxembourg S.A.

The serial numbers of Bonds selected by lot are as follows:—

12144 to 12289	12291 to 12298	12300 to 12350	12361 to 12385	12388 to 12406
12409 to 12436	12439 to 12445	12447 to 12491	12497 to 12510	12526
12530 to 12540	12543 to 12545	12548 to 12550	12561	12564 to 12568
12571	12576 to 12586	12591	12595 to 12600	12604 to 12609
12611 12612	12615 12616	12621 to 12642	12646 to 12680	12682 to 12694
12696 12697	12699	12706 12707	12717 to 12761	12771 to 12774
12803	12808 to 12820	12829 to 12837	12843 to 12850	12852 12853
12906 to 12934	12938 to 12942	12963 to 12970	12972 to 12975	12977
12979	13004 13005	13011	13063 to 13069	13080 to 13082
13097 to 13106	13122 to 13124	13141	13147	13151 to 13156
13162	13173 to 13200	13225 to 13238	13246 13247	13253 to 13257
13269 to 13273	13286 to 13294	13323 to 13331	13354 to 13357	13412 13413
13435 to 13447	13454 to 13475	13512 13513	13525 to 13528	13530 to 13539
13542 to 13561	13565	13626 to 13665	13669 to 13675	13701 to 13724
13728 to 13845				

Principal amount of Bonds purchased: US$ 25,000
Principal amount due for redemption: US$1,000,000
Principal amount unamortised after 15th June, 1985: US$1,000,000

The Bonds selected by lot will be reimbursed on/or after 15th June, 1985 with the coupon due 15th June, 1986 attached, in accordance with the terms of payment mentioned on the Bonds.

16th May, 1985

DOCDATA N.V.

General Meeting of Shareholders of DOCdata, to be held May 31, 1985, 14.00 hours, at Maaskade 11, Venlo, Netherlands

AGENDA

1. Opening.
2. Discussion of the 1984 Annual Report and information about the ongoing activities.
3. Preliminary advice by the Supervisory Board.
4. Approval of the 1984 Balance Sheet with notes and Auditor's Report.
5. Appointment of auditors for the year 1985.
6. Information about changes in the Supervisory and Management Boards. Proposal to re-elect Mr. Van den Driest, who will be withdrawing from the Board according to the alternating schedule but can be re-elected for another term as a member of the Supervisory Board.
7. All other business.

The Annual Report is available at the offices of the company and at Pierson, Heldring & Pierson, Amsterdam and London (1, Crown Court, Cheapside, London, EC2V 6JP), where they may be obtained free of charge. Bearer shares of Shareholders who wish to attend the meeting should be lodged with Pierson, Heldring & Pierson, Amsterdam. The receipt to be supplied by the latter must be shown when attending the meeting.

The Board of Management

May 16, 1985

FIVE ARROWS LIMITED

A DIVIDEND has been DECLARED of 3p per share payable to the holders of Ordinary Shares registered on 13th May 1985 and to holders of Coupon No. 115 attached to Ordinary Share Warrants to Bearer. The dividend will be paid on 16th May 1985. Coupons must be lodged with Securities Department, Hill Samuel & Co Limited, 45 Beech Street, London EC2P 2LX, where listing forms can be obtained.

By Order of the Board of Directors
B. D. Mitchell
Secretary

St Martins House
16 St Martin's-le-Grand
London EC1A 4EP

QUEBEC CENTRAL RAILWAY COMPANY CAPITAL STOCK

In preparation for the payment of the half-yearly dividend due July 15, 1985 on the above Stock, the Transfer Books will be closed at 3.30 p.m. on June 14 and will be reopened on June 18 1985.

W. E. REEVE.
Assistant Secretary.

50 Finsbury Square,
London, EC2A 1DD.
May 16 1985.

Money Market Cheque Account Jersey

Gross Rate	Compounded Annual Rate
12.05	12.74

(Minimum balance £2500)
Annual Report and Accounts available on request.
Manager: Ronnie Horne
4, Don Road, St. Helier, Jersey. Tel: 0534 38855.
BANK OF SCOTLAND
(incorporated in Edinburgh, 1695)

Contracts and Tenders

IVORY COAST

Ministry of Public Works, Construction, Posts and Telecommunications
National Office of Telecommunications
Ivory Coast

INTERNATIONAL INVITATION TO TENDER
No. 3290/84/ONT/DFB/FM/031

1 — Objective
The National Office of Telecommunications (ONT) invites international tenders for the supply, installation and connection to the telephone network of an SPC digital local/transit exchange of 10,000 lines, extendable to 60,000 lines, in ABIDJAN and such other optional exchanges or equipment as may be required by the ONT.

2 — Finance
Finance for the project is assured jointly by the African Development Bank (ADB) and the Ivorian Government.

3 — Tendering Conditions
The tender is open to manufacturers and suppliers of digital exchange systems in member countries of the ADB and whose equipment is produced in these countries. The digital exchanges offered must have been already proven in service.

4 — Tender Document Collection
The tender documents will be available to be collected from the 20th May 1985 at the following address:
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THE ARTS

Cannes Film Festival

Nigel Andrews

Lightning may never strike *twice in the same place; rain* can and does. This is the second *monsoon-swept* Cannes *Film* Festival running. And running *is exactly what most festival*-goers have been doing, dashing between hotel and cinema as fresh cloudbursts fanfare the latest Godard, Roeg, Losey, Szabo or Parker movies.

Despite a change of President—Pierre Viot replacing Favre le Bret—the Festival hasn't changed any more than the weather. There is still a tendency for the main competition to be stuffed with movies by famous veterans (usually for no better reason than that they're famous veterans), and for brave new talent to have to find a niche in the sideshow events like the Directors' Fortnight or the Market.

The energetic critic thus spends his time dashing through a deluge of movies; avoiding perilous puddles thanks only to the advance warnings of a stray colleague who has got his socks wet already, anxiously seeking the stepping-stones of dry, high talent.

Two puddles this critic has failed to avoid so far were *Godard's Detective* and Alan Parker's *Birdy*. Godard's film is like a New Statesman parody of a Godard film: a wildly fractured yarn about four groups of seedy characters interacting in a Paris hotel. There are French *Mafiosi* (Alain Cuny), strife-torn marrieds (Claude Brassiere and Anthalie Baye), boxing promoters (Johnny Hallyday) and private eyes (Laurent Terzieff, Jean-Pierre Leaud). There is indecypherable devving-do involving money and murder. There are bitten-off surges of classical music (Schubert, Chopin) in the late-Godard style. And there is the general air of a once-brilliant director trying to remember where he's put his brilliance — or what to do with it if he finds it.

Alan Parker's *Birdy* is gloriously photographed, like all his work. It revels in its back-of-beyond settings in tumbledown Philadelphia: a wilderness where our bird-obsessed *hero (Matthew Modine) flies his* pigeons, cossets his canaries and *worries his best friend* (Nicholas Cage) with a hobby that *looks like turning* into an *amour fou*. And turn it does, helped by a traumatic spell in Vietnam. Soon Cage is visiting Modine in an army hospital lunatic's cell, where he crouches mute, unblinking and ever more bird-like.

The film, alas, becomes sombre, sententious and ever more self-important. *Birdy's* case is so eccentric that it has a hard time hustling our understanding or our empathy. And indeed it's only given a Resonance by Parker's banal and repetitive attempt to bang metaphoric goings about freedom, flight, and the "cages" we all live in.

Far more effective, as fables of freedom, were Yugoslavia's *Father's Gone On A Business Trip* and German-Hungarian *Colonel Redl*. In the first, director Emir Kusturica tells an enchanting two-hour shaggy-dog story about a postwar Sarajevo family making ends meet after Dad has been carted off to a labour camp for several years. This boy's-eye-view tale — told through the wondering eyes of the pudgy, gnome-faced son who copes with everything from circumcision to somnabulism—is a tapestry of stoicism, sentiment, non-sequitur and slapstick: beautifully woven together before the camera's deadpan gaze.

Istvan Szabo's *Colonel Redl* looks at first like Mephisto 2 as the Hungarian director bungs star Klaus Maria Brandauer once more into the breaches of past Teuton history. This time he plays the ill-fated officer undone by his own homosexuality and an archduke's scheming in the brief heyday of the Austro-Hungarian empire. Fifty years after his suicide in 1913, Redl inspired John Osborne's play *A Patriot For Me*. Osborne's play, in turn, sparked Szabo's film.

A bold biographic sweep—*from boyhood to manhood* through a changing society and *switchbacking history — is* achieved in the 2½-hour movie. Brandauer once more *engulfs* the screen, a plump-faced demon at bay against destiny. Inspiration only flags when Szabo sets out to chart too precisely the military and monarchial intrigues of the day, creating mazes in which not only the characters but also the audiance begin to feel lost.

That you are never lost in Nicolas Roeg's *Insignificance* is a triumph for the way this kaleidoscopic director has filmed Terry Johnson's comical-allegorical play of the same title: in which Marilyn Monroe, Albert Einstein, Joe Di Maggio and Senator McCarthy—or unnamed, mythic simulacra of them—meet one hot night in a New York hotel.

May the gods bless Roeg for not succumbing to the ritual "opening out" *clichés* of play-into-film. Roeg doesn't stupefy us with otiose shots of Central Park, or Fifth Avenue, nor does *he insist that every new character* arrives by taxi and is seen *getting into and out of it*. The new dimension is not the open air but the open unconscious.

In free-fall flashback or sudden *fantasy-fragment* we dive into the minds of the actress *(Theresa Russell), the professor* (Michael Emil), the ballplayer (Gary Busey) and the senator (Tony Curtis). Meanwhile there is a comic fizz and charm we haven't seen in Roeg before, magically incorporated into the old, magnificent Roeg obsessions—sex, death, *mystery*, reason and unreason. The film opens in Britain in August: more about it then.

Still to come at Cannes are films by Wenders, Syberberg, Chabrol, Bogdanovich, Woody Allen, Paul Schrader and Clint Eastwood. Watch this space.

Lauren Bacall returns to the West End

Lauren Bacall is to return to the London stage after an *absence of more than 12 years* to play the Princess Kosmono*polis in Tennessee Williams* play *Sweet Bird of Youth*, *directed by Harold Pinter*, and opening at the Haymarket *Theatre at the beginning of* July.

Scarlatti tercentenary concert

The English Baroque Choir is giving a concert in St Margaret's Church, Westminster, on June 1 to mark the tercentenary of Domenico Scarlatti. The programme includes a performance of his *Stabat Mater*.

American Images/Barbican Art Gallery

Colin Amery

There can be no doubt about it: *American Images* is a very important exhibition of photographs. It is also the major visual arts contribution to the American Festival. The image on photographic paper in colour and black-and-white must be the best way to celebrate the visual world of modern America.

It was back in the 1970s that Susan Sontag wrote that America was the country where photography had become as widely practiced as sex and dancing. In the 1980s it is even more widely practiced, more widely enjoyed, and more prone to inflated judgments about its status as art.

The exhibition sponsored by Pearson, has been selected by *Peter Turner and John Benton-Harris*. It shows some 400 *works by over 80 artists*.

The period selected for the show is from 1945 to 1980, and it is described by the organisers as "an investigation," not a history or a survey. In the same breath it is described as "an exposé of the development of post-war American culture, as witnessed through the eye of the camera lens." This is an accurate description, although a partial one. It is accurate because it suggests that the camera is a tool to record the times — an instrument that produces a mass art form, a democratic vision.

Inevitably, the catalogue compares this show with the *Family of Man — a stupendous* exhibition that has passed into the annals of the art. It was selected by Edward Steichen, in 1955, at the Museum of Modern Art in New York, that show was a clear demonstration of the power of the photograph as a humanistic documentary record. This new exhibition, at the Barbican, comes after 30 years of public appreciation and practice of photography, and is correspondingly diverse and complex.

First reactions to the lines of uniformly sized prints, *solemnly framed, on parade in* the concrete halls of Barbican art gallery, must be both puzzlement and disappointment. *Also, it is impossible not* to feel depressed by the vision *of America presented* by the selectors and the photographers. So much, *it seems*, of contemporary photography finds its subject matter in the more obscure and grey areas of our civilisation.

There is much pleasure to be gained from the contemplation of the famous views of Death Valley and the sand dunes of California by that great photographer Ansel Adams, who died in 1984. How strong are the *images of American faces* by Paul Strand, although it is that young boy photographed in France in the 1950s that *remains one of the best known* photographic images of the past *30 years*. *The power to shock* remains in the work of Edward *Weston—the nude wearing a* gas mask, with an artfully arranged fern leaf in the foreground, is one of those perverse pictures that stays in the mind.

The development of the same kind of artistic idea can be seen in the work of Robert Heinecken—his *Lingerie for a Feminist Suntan* shows a real bra and pair of knickers alongside a photographed piebald nude figure.

Where the camera works best is as a casual recorder of the unposed and the unexpected. Joel Sternfeld's *Exhausted Renegade Elephant*, and some of the random shots of New York's crowded street corners by Joel Meyerowitz, evoke the contradictions of the modern visual scene very effectively. Diane Arbus typifies the old modernist tendency, apparent throughout this show, to choose awkward subjects; drug abuse, war, crime and perversions of all kinds.

*The great artistic achieve*ments in modern photography are, *in fact, as likely to be found* in the world of adertising and *commerce*. These are absent from this somewhat pretentious *survey. American Images* works best as a book.

American Images: Photography 1945-80 is at the Barbican Art Gallery until June 30. The catalogue is published by *Viking in hardback* (£29.95), and by Penguin in paperback (£14.95). There *is a programme* of talks and films associated *with the exhibition*.

Missa Solemnis/Festival Hall

Andrew Clements

How best to celebrate the centenary of one of the two greatest conductors of the century? Otto Klemperer was born 100 years ago on Tuesday; *his last record company, EMI*, is marking the anniversary with *reissues of many of his major* recordings made with the *Philharmonia (later New Philharmonia)*. On Tuesday in the Festival Hall the orchestra paid its own respects with a performance of *Beethoven's Missa Solemnis*, conducted by Carlo Maria Giulini. There is a repeat tonight when Radio 3 also broadcasts a recording of Tuesday's concert.

The *Missa Solemnis* is a hard work to write about at the best of times; in an account as fine as this it becomes harder still. Giulini's conducting of the great choral works tends to evoke Klemperer-like descriptions: one refers to its spiritual strength and massive affirmation of faith, its sense of architecture and musical drama.

Here were all those qualities, laid out on an absolutely unhurried timescale. Earlier in the day I had been listening to Giulini's new recording of Bruckner's Eighth Symphony, and it was fascinating in the evening to realise how his experience of Bruckner informs his Beethoven, and vice versa; how the paragraphs of the Kyrie of the mass were given the space to breathe instinctively and the long-range harmonic tensions the chance to resolve themselves quite naturally.

On such an occasion comparisons with Klemperer's own titanic account are as hard to resist as they are irrelevant. Anyone reared on those famous LPs *might have found parts of* Giulini's reading less obviously *muscular: the fugue at "In gloria Dei patris,"* for instance, was *shaped as a gigantic choral* sound with the individual lines *subsumed to the whole*, while the opening of the Gloria itself was steady rather than athletic.

Yet the dramatic instinct was unfailing, not only in exploitation of the stark contrasts of timbre and dynamic with which the mass abounds but in the highlighting of instrumental detail to screw up the tension one more notch and in the sensitivity to changes of key; the sudden switch into D flat at "Miserere nobis" in the Gloria was quite magical. Giulini too, better than any other conductor I have heard, understands the advantage of understatement in the Agnus Dei, able to let the final bars unwind without any extra stress or gloss.

The Philharmonia delivered of its best for a conductor whose association with the orchestra has been almost as distinguished as Klemperer's; the Philharmonia Chorus was in *keen, resplendent voice and* coped heroically with Beethoven's sometimes impossible demands. The solo quartet — Elisabeth Harwood, Alfreda Hodgson (both ladies late replacements for indisposed foreign singers), Siegfried Jerusalem and Robert Lloyd were to a body quite splendid. It was, in short, an event of which the Doctor himself would surely have approved.

Cunningham/Sadler's Wells

Clement Crisp

The first and most immediate pleasure of the Merce Cunningham season, which began on Tuesday in Rosebery Avenue, comes within a few minutes of curtain rise on *Duets*. Here are fine dancers in fine dances. It is a pleasure as basic as that, but *one* made all the more rare by the litter of indifferent imitations of Cunningham's manner performed by graceless bodies which is the matter of so much local dance.

The purity and clarity of Cunningham's procedures, the simple rightness of style and exposition which informs this lovely collection of duets as *they* pass before our eyes, overlapping, linking, or existing in *pristine* isolation, is a first cleansing operation for the ob*server's* sensibilities. Thereafter, one can settle back *contentedly*, certain in the logic and formal grace of what will *follow*, and nothing in the rest of the evening betrays this trust in Cunningham as a creator of choreography that constantly stimulates and delights.

Duets is the happy prologue to a *season* which *will* offer 12 pieces, all created within the past six years, and if this first programme is anything to go by, *Cunningham's creative* genius is at its grand and powerful best. *Proof*, were proof needed, comes with *Pictures*, a *work made last year* for the entire troupe, which fixes its action at *moments* into *frozen* tableaux, beautifully silhouetted in the subtle variations of Mark Lancaster's lighting. *The sound accompani*ment is by David Behrman, a sequence of *electronic* warblings as a *shifting* background to a violin obbligato, but the dance itself has a *musical* structure, its dynamic tone rarely rising *above a mezzo-forte* as the cast move in gentle phrases and are then *held in* long chord-like poses (the "*pictures*" *of the title) against* which movement has the effect of fragments of melody.

It is a haunting, serene piece, never more so than in its mysterious finale when Cunningham himself joins the ensemble, his physical presence a *different* but *touching* sonority, seen in a last silhouetted *attitude holding one* woman horizontally across his body.

The final *Locale*, dating from *1979*, the year *before Duets*, is a more densely conceived structure. *Its 14 players* are deployed in activities which find them grouped *in separate* sequences of movement, tracking across the *stage*, establishing what might seem rival spheres of *activity*. *In their* variously coloured costumes *they seem like pieces in a* kaleidoscope having wills of their own, *able to form* and break and re-form patterns and shapes *of movement*.

Identifying motifs — a grouping, a pose, *an extension of leg* or arm — pass among them; the *dance has no immediate or* apparent focus (a Cunningham *trademark*) yet Cunningham somehow establishes a mag*netic centre for* their behaviour, a force-field which contains and shapes the dance in uniquely satisfying fashion. It is an insidious, engrossing exercise, and like the whole season, not to be missed.

Rigoletto/New Theatre, Cardiff

Rodney Milnes

The counter-revolution may be *under* way. We *learned* from The Guardian that Richard *Armstrong*, conductor of *the* Welsh National Opera's new *Rigoletto*, had *successfully* requested the removal of certain *unnamed — and, it is said*, nameless — objects from the *production*. *At Tuesday's first* night the air was heavy with *rumours of further* excisions. Whether or not this took signi*ficant zing out of* Lucian Pintilie's staging it is impossible to *say — but the zing that was left* had all the crispness of yesterday's salad.

Pintilie presents the courtiers *of* Mantua as a crowd of tired, Fellini-esque drag queens whose epicene caperings soon become wearisome. Verdi's music and the demands of the plot presuppose something distinctly more menacing. Sadly, the one promising notion, Rigoletto's fervently unpaternal petting of Gilda in Act One, was not followed through — the director was too busy sending the second act up *sky high*, with the Duke in his gymnasium on an exercise bicycle for "Parmi veder," and popping pills and vodka in preparation for the rape.

Pintilie brings so radically critical a dimension to his work as to make those who have to write about it first redundant, then wonder nervously why he bothers to stage certain pieces. He may not dislike *Rigoletto* as much as he apparently did *Carmen*, but something more than amiably impish disrespect is needed to bring this most sombre of operatic tragedies to life.

Whenever the jokesome Duke, prime obect of his scorn, was absent, there were moments of comparative calme in which to relish undistracted a musical performance remarkable even by Mr Armstrong's own Olympian standards. On steady tempos brilliantly sustained, on full and fat orches*tral sound enhanced by the* New Theatre's marvellously immedi*ate acoustics*, and *on fiercely* dramatic accents, he based a *reading of towering* tragic stature; consistently gripping, always *considered*, *yet* always "felt."

Only in the famous quartet, perhaps, did a sense of calculation intrude between the notes and the audience; elsewhere there were effcts of uncommon direct power—"Culto, famiglia, patria" was *hair-raising in its* obsessiveness. Even so inno*cent-seeming a piece of music* as the introduction to the third act *was granted a fearsome aura* of foreboding. The contrast *between Mr Armstrong's* purposeful dedication and the *director's "cler-cler" prevari*cation could hardly have been more marked.

With such support, the *soloists could only give of their* best. Donald Maxwell's baritone, rather French in its precision of timbre, may not expand naturally into soaring Italian lines, but of his total commitment to the matter of the title role there could be no doubt. He emerged from the visual shenanigans with dignity intact. Dennis O'Neill, the most Italianate of our native tenors, sang extremely well, but it is difficult to be dignified in puce combinations. The Gilda was Anne Dawson, a most valuable young soprano. Her pure, winning tone has an underlying strength fully equal to the demands of the later acts while remaining pliable enough for "Caro nome," which was exquisitely phrased.

Wendy Verco's splendidly fruity Maddalena, Donald Adams's incisive Monterone, and Sean Rea's Sparafucile, baleful of bass tone, were vocally ideal. For musical reasons alone, then, this *Rigoletto* should be seen—or rather heard.

Measure for Measure

Michael Coveney

Measure in modern dress is almost old hat, but David Thacker's Young Vic revival, despite some severe casting weaknesses, conveys a robust sense of a pin-striped community under the microscope. For obvious economic reasons, perhaps, there is no feeling of an imagined Vienna in the way that Jonathan *Miller* once conjured the 1930s Vienna of Schoenberg and Freud with pin-striped suits and minimal designs.

Instead, we have a Vienna of dark corners, *uncomfortable* prisons and suspended interro*gation lights, a place abandoned* by the intriguingly grouchy and *saturnine* Duke of Peter Guinness in order to best discover it. Old Escalus's assistant is a primly amoral middle-aged secretary (nicely doubled with Overdone by Janet Crawford) only too keen to accept the dinner invitation; and the Duke's final words are interpreted by Joanna Foster's otherwise glumly underpowered and monochrome Isabella as the proposal that has grown out of a comforting embrace.

The interval precedes the appearance of Mariana in the moated grange (the flower pots at least benefited from Tuesday's downpour and the leaky roof) where Margot Leicester sings her own song (Arts Council cuts have a lot to answer for) and vaporous night approaches more suddenly than a plague of locusts. Apart from that lighting cue, Mr Thacker's show badly needs an injection of pace, a brisk kick up the backside so that the fine work of David Boyce's pragmatic bright-eyed Pompey and Andy Readman's tearful Claudio is not lost in the infectious deceleration.

No chance of that happening with Lucio, whom Rob Edwards renders a smooth-tongued denizen of the stews in a white tuxedo and a red silk scarf. He kept reminding me of Robert Powell at the latest film premiere. John Gillett as Angelo, on the other hand, resembles a tight-lipped Michael Heseltine (physically if not politically), reacting with crushing measures to the low life haunts, closing them down instead of absorbing them with a licensing bill.

The ducal office has a glossy *black table and a set of deco-ish* chairs and Mariana turns up *for the denouement in a* Wimbledon white dress of *indefinite period*. Shelagh Keegan's design is thus a little *vague, but the bare black brick* floor with the play's title *blasted in red Letraset stencil* across the back wall looks well enough.

Pookiesnackenburger/Shaw

Martin Hoyle

The first half-hour belongs to Steve and Mark. They identify themselves as the roadies as they blow, mutter and chant into the mikes to test the sound system. They wear their trousers *à l'ouvrier anglais* — that is to say, slippingly, displaying unseemly expanses of buttock—and reveal themselves as heirs to the great comic cross-talk tradition of music-hall ("Arthur Askey 1945, that one," exclaims Steve of one chestnut).

Defences willingly lowered, the audience welcome Pookiesnackenburger like old friends. The *seven-strong group* boasts a drummer with manic blue eyes, fixed occasionally, with glaring intensity on some unfortunate members of the audience; a blonde girl who belts out her solo number strongly; Nick, who looks like Robert de Niro; and a small plain leader who makes much of his emotional frustrations and is "prone to horrible dark feelings that are the flip side of passion."

Whether trying to convince *us that the* Shaw Theatre is throbbing like "a roaring libi*dinal furnace*," or *wistfully* urging us to "pretend we're Duran Duran and you're a bunch of spotty teenagers and *you love us*," *the group is un*failingly engaging and good-humoured. The *music, whether* pounding rock or rhythmically *infectious Latin-American — or* a yearning song about sexual electricity addressed to a lady plucked from the stalls and seated romantically on a dustbin—is fun, catchy and capable of sending you out *moderately* euphoric.

Saleroom/Antony Thorncroft

The appreciation, both critically and commercially, of British artists of the past century, who are loosely labelled as British Impressionist and Post-Impressionist, continues unabated. Sotheby's sale yesterday totalled £1,464,045, with just 4 per cent unsold.

There were seven record prices for individual artists, including the top price, £66,000 *paid by the Pym Gallery*, for "Wind and Sun" by Dame *Laura Knight*. *This* 1911 scene of cliff-top sunbathers was estimated at £15,000-£20,000.

Another London dealer, Baskett and Day, bought "Schoolgirls, Haverstock Hill" by Sir George Clausen for £43,900. This work marked a change of style for Clausen who had been associated with scenes of rural realism: it depicts smartly dressed young ladies of almost Tissot-like *glamour*, confronting the spectator with Hampstead in the background. *It had been in an* American collection and the price was close to the lower end of the forecast—probably because the canvas had been repaired.

Richard Green, of London, acquired "Boys on the Quay," by Walter Osborne for £39,600, while a more typical Clausen, "Planting the tree," sold for £37,400. *The* Irish artist Roderic O'Connor achieved a record *price* of £30,800, well *above* forecast, while the Fine Art Society *paid the same sum* for a Munnings' view of Laura Knight, painting a Dieppe street scene by Charles Ginner also realised £30,800.

Among other records were the £26,400 bid for "The Japanese Lantern" by Frances Hodgkins, and the prices paid for Sir William Nicholson, Harold Knight, and Jacques Emile Blanche.

Christie's sales in Geneva continue. A gold snuff box engraved with views of St Petersburg and the Summer Palace and with a portrait of the Empress Elisabeth of Russia sold *for* £234,756. *It had been made* by the Swiss goldsmith Jérémie Pauzie, and *presented to the* Empress in 1761. A gold and hardstone snuff box *made in* Dresden in 1775 by Christian Gottlieb Stiehl, which *contains* a secret drawer, went for £127,413.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

May 10–16

Exhibitions

LONDON

The Saatchi Collection: Charles and Doris Saatchi have been collectors of contemporary art since 1970. The catalogue of their collection, *The Art Of Our Time*, is being published volume by volume, and a gallery established to make it available to a wider public. The gallery is an *astonishing* converted paint warehouse at *98a Boundary Road, NW8, that* offers more exhibition space for temporary shows than any other gallery in London, except perhaps the Tate. *There are to be three or four shows* a year, of a few artists at a time. Those now being *shown* are Cy Twombly, Brice Marden, Andy Warhol, Don Judd, and Richard Serra. The gallery is open on Fridays and Saturdays between 12 and 6, or by appointment. (624 8299).

PARIS

James Tissot: A nostalgic evocation of the charms of Edwardian life, with his fashion-plate perfection in rendering ladies' rustling dresses and beautiful hats, surrounded by attentive dandies at various social occasions. This show arrives in Paris from the Barbican, London. Petit Palais. Closed Mon. Ends Jun 30.

La Nouvelle Biennale de Paris assembles 126 painters of all nationalities. Punk-style posters lure visitors to the trans-avant-garde fun-fair of the arts spreading over 12,000 square metres in a vast hall of the former La Villette Slaughter House. 211 Avenue Jean-Jaures, Metro Porte de Pantin (730 2525) Ends May 21.

Maîtres Impressionnistes et Modernes: Art dealer Daniel Malingue has an exhibition of which Renoir, with 15 paintings, is the glowing star. Yet there are other great names present – Gauguin, Signac, Kandinsky, Chagall being eternally Chagall, an unusually structured black and orange Léger, a Magritte, amazingly *sinister*. *Galerie Daniel* Malingue, 26 Ave Matignon. Ends Jun 15.

WEST GERMANY

Düsseldorf, Städtische Kunsthalle, Grabbeplatz 4: Masterpieces of the 20th century, from the private collection of the German industrialist Thyssen-Bornemisza, are on show. Works by Manet, Gauguin, Bonnard, Mondrian, Picasso, van Gogh, *Schwitters* as well as Russian Konstruktivists. Ends Jun 6.

Cologne, Kunsthalle, Josef-Haubrich-Hof 1: 'Ornamenta Ecclesiae.' To un*derline the importance* of the romanesque churches, the Cologne Schnüttgen *museum has organised* an exhibition of roughly 800 religious works *from 11th to 13th century*. These are illuminated manuscripts and gold *artifacts from museums* and collections from all over the world. Ends Jun 9.

Berlin, Cropius Bau, Stresemannstr. 110, Berlin 61: Timed to coincide with this year's Berlin Horizon 85; the Peking Palace museum is coming to Europe for the first time, with an exhibition of roughly 120 works covering 3,500 years of Chinese history. The exhibition in Berlin includes gold and jade works, paintings, porcelain, musical instruments and calligraphy. Ends Aug 18.

Berlin, Schloss Charlottenburg, Spandauer Damm, Neuer Flugel: Berlin is putting on the biggest exhibition of Antoine Watteau to commemorate the 300th anniversary of his birth. The National Gallery of Arts, Washington, the State Museum of France and the administration of Berlin's castles are sponsoring the *show. The French rococo painter of*ten used poor quality colours, there*fore many of his paintings are in a* bad condition and have not been displayed *before. The exhibition in*cludes 73 drawings and 143 paint*ings. Ends May 25*.

Cologne, Kunsthalle, Josef-Haubrich-*Hof 1: "Ornamenta Ecclesiae."* To underline the importance of the romanesque churches, the Cologne Schnüttgen museum has organised *an exhibition of roughly 800 reli*gious works ranging from 11th to *13th century including illuminated* manuscripts and gold artifacts. *Ends June 9*.

Stuttgart, Staatsgalerie, Konrad-*Adenauer Strasse 30-32: The* German romanticist Caspar David Friedrich (1774-1840). Ends May 26.

ITALY

Turin: *Palazzo Reale: Indian miniatures* from the 17th to the 19th century *entitled Life At The Court of* Rajasthan. The paintings come *mainly* from the *Victoria and Albert* Museum and the Museo Rietberg in Zurich. Ends May 22.

Rome, Palazzo dei Conservatori in Compidoglio. From Cézanne to Picasso: 42 Masterpieces from Soviet museums. *A wonderful collection of* Impressionist gems lent by the Hermitage in Leningrad and the Pushkin Museum in Moscow, 17 of which have never before left Russia. The collection includes works by renoir, Van Gogh, Matisse, Monet, Gauguin, Cézanne and Picasso. Ends Jun 15. Istituto Nazionale per la Grafica, Via della Stamperia 6. Julia Margaret Cameron: Photographs 1815-79. A fascinating series of photographs by one of the first *and most successful of Victorian* amateur photographers. Ends May 17.

Venice, Palazzo Fortuny: Toys for the science-fiction era, showing how vastly more sophisticated robots have become, since first produced in the 1950s. Ends Jul 14.

VIENNA

Vienna 1870–1930: Dream and Reality: The greatest names of the Viennese fin-de-siècle – Klimt, Otto Wagner, Schiele, Kokoshka, Aldolf Loos, Josef Hoffman – in a dazzling display of Jugendstil creative genius. The attempt to integrate the artistic *achievements of this era* with philosophical developments (notably *Wittgenstein but also Freud) and* political transformations (the emergence of *municipal socialism on* the ruins of Baroque splendour) is ambitious and only partly successful. The complex tension between autocratic and censored reality on the one hand and the illusions or fantasies of individual artists on *the other is* hinted at but not fully explored. A high point of the show is a reconstruction of Hoffman's room at the secession exhibition of 1902. *Here*, triumphantly restored, is Klimt's fifty-foot Beethoven frieze depicting humanity's progress through suffering to joy on the theme of the Ninth Symphony. Displayed exactly as intended, this alone is worth a special visit. Kunstlerhaus. Ends October 6.

BRUSSELS

Hotel Metropole is celebrating *its 90th* year and in its splendid *fin de siècle* public areas, worth a visit in themselves, they are exhibiting glass and objets d'art from the Belle Epoque to Art Nouveau including works by Wouters, Gallé and Daum. Also on show are a collection of illustrated menu cards including a Press Banquet in 1893, Congo in *1898* and Sarah Bernhardt in 1896. Ends Jul 20.

NETHERLANDS

Paul Klee *at the Commanderie van* Sint-Jan Museum in Nijmegen. 60 *paintings, watercolours and drawings* covering the years 1906-39 on *loan from the holdings of the Kunst*sammlung Nordrhein-Westfalen. *Ends* Jun 23.

NEW YORK

Metropolitan Museum: *30 objects* from the period between the 1851 *Crystal Palace Exhibition to the* 1900 World Fair in Paris *demonstrate the show's theme of Revivals* and Explorations in European decorative arts. Ends Sept 5.

Museum of Modern Art. The first comprehensive retrospective of Henri Rousseau, including 60 works from as far away as Prague, show the masterful playfulness of the Paris toll collector who brought together man and nature at their most benign and intriguing. Ends June 4.

Treasures *from the New York Public* Library: 260 works chosen from one *of the five best library collections in* the world may cover America better than Europe, but the inclusion of a Gutenberg Bible, the Tickhill Psalter and French bindings *supplements* Americana, such as examples of Melville's work, announcements of the discovery of New York, and one of the earliest globes. Ends May 24. (42nd & 5th Av).

WASHINGTON

National Gallery. Ancient Art of the American Woodland Indians includes 151 pieces covering 5,000 years of sculpture, ceramics, copper and shell objects of the native Americans who lived in what is now the eastern half of the U.S. Ends Aug 4.

National Gallery (West Bldg): 36 old *master* paintings *from the Dulwich* Picture Gallery are exhibited under *the title Collection for a King*, including works by Rembrandt, Van Dyck, *Canaletto* and Gainsborough. Ends Sept 2.

CHICAGO

Art Institute: Though Edouard Manet *made etchings primarily to reproduce* and publicize his paintings, he developed *a unique style as shown* in the 27 etchings in this special exhibit of *more than a third of his total* output of 75 etchings. Ends Sept 2.

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Short v long term views

THE CHARGE that stock market investors, with their demand for quick gains, hamper industrial managers seeking to pursue long-term strategies has become very fashionable again in the U.S. in recent months—it is a hardy perennial in any case. The new breed of aggressive corporate raiders in Wall Street, deploying techniques of financing which enable small enterprises to threaten large ones, has naturally made managers twitchy about their share price performance; but since this, in turn, depends on the views of existing shareholders—and increasingly, therefore, of fund managers—the attack has been turned on them.

Inhibited

In the UK, it seems, fund managers perform better — or their trustees are less aware of their failings — for there has been no comparable development of index proxies, and the complaints of management are also more muted. Nevertheless, the same charge is made; any company which feels itself at all vulnerable to takeover is inhibited from following its inventive hunches if these involve a long wait before the expected reward. Development is charged to revenue and the market, it is claimed, puts no value on this investment in the future. Capitalising research expenditure, which is in a sense more logical, since new rather than current products have to bear their own development costs, has understandably got a bad name since the collapse of Rolls Royce more than a decade ago. Managers thus feel themselves forced to seek a quick pay-off. Critics of the City and Wall Street contrast this frenetic atmosphere with the much more measured pace found in Japan or Germany, where controlling interests are held by major industrial groups or banks, which can be kept fully informed of long-term projects and their progress, and tend to support them.

This attack has been developed much more aggressively in the American business Press than anything seen in the UK in recent years — though there was quite a wave of attacks on the City some time ago, finally stilled when the Wilson report bored the critics into silence. The basic charges, however, are familiar, and get some local interest from the fact that the Governor of the Bank of England, no less, thought it right to address then in a speech yesterday.

The American attack is more or less comprehensive. Not only to fund managers over-react to short-term news, leading to outspoken complaints from corporate management, but they exhibit consistently poor judgement. The vast majority, for all their activity consistently underperform a completely passive strategy of buying all the constituents of a major market index and holding them. This second charge is believed by many of the trustees of pension and investment funds, so that the U.S. market has seen a rapid growth of index funds, which allow even small institutions to follow this passive strategy. If they wish to express their sense of market timing, they can deal in index futures and leave their portfolios undisturbed.

As the Governor argued, there is an element of buck-passing in these charges. Some quite small companies do follow long-term, high-risk strategies; some very large companies, well out of reach of any probable attack, are too cautious and pile up cash. The City is sometimes only too gullible about high technology, and gives consistent ratings to industries such as pharmaceuticals with very high research costs; it dislikes declining laggards.

Suspicion

When all this is said, however, the suspicion remains that investment decisions taken to optimise the numbers at a quarterly review will not always be based on long-term assessments; and indeed this is bound to be so where investors generally lack the information on which a long-term assessment could be based. In default of information, the market bases its forecasts on management track records, which have proved a reliable test for existing companies, but make life hard for new managements and new companies.

The Governor's suggestion that companies should publish more about their research activities hardly looks like a solution to the problem in a world of commercial secrecy. It remains possible, at least, that financial structure does inhibit technical progress in Britain. The issue will become more important as the Government, through privatisation not only of enterprises but of pensions gives th market a still more dominant role. Changes which encourage long-term views, through tax incentives for example, and which might make more infromation available to declared locked-in holders, certainly seem worthy of study.

Hard tack for Bob Hawke

MR ROBERT HAWKE'S Australian Government has made a good start on tackling the problem of federal budget deficits. Spending cuts of A$1.3bn (about £730m) proposed for the financial year beginning in July measure up well against a federal deficit of A$6.7bn during the current financial year. But until there is more clarity about the revenue side no firm judgment is possible about the budget prospects for 1985-86.

What it is possible to say is that Mr Hawke, who at one time appeared to defy the laws of political and economic gravity, is struggling like so many heads of government elsewhere. The mixture of a quick devaluation and a system of consensual wage restraint, with which the first Hawke administration (like its Swedish fellow-socialists) performed so dazzlingly, has run into deep trouble. A revival of inflation, caused by pressure for higher wages and by a renewed decline of the exchange rate early this year, has become a pressing danger.

Badly needed

If it occurs, it would threaten to nullify the badly needed improvement of Australian competitiveness in world markets brought about by the decline of the exchange rate this year. The merchandise trade balance, from having been in structural surplus, has moved into almost continuous deficit during the 1980s. That points towards unfavourable cost structures, even though the blight upon world commodity prices must carry the bigger portion of the blame in a case such as Australia's.

It will not be known until the autumn whether the Australian trade unions are ready to prolong their unusual docility. It is then that the next round of index-linked wage rises is due. At the same time, higher prices for imports caused by the decline of the Australian dollar will be feeding through to the consumer price index and, hence, into wage awards. In practice the Government can do little to avoid that happening. It must therefore seek to resist all the more strongly pressure building up for "productivity" increases intended to compensate workers for rises forgone during the wage freeze of 1983.

Less healthy

Not so long ago there may have been a case for relying on a recovery of commodity prices to improve the trade balance. Now that the North American economy may be faltering that prospect has become altogether more dubious. More hope may be placed in a volume increase of exports once natural gas comes on stream from the North West Shelf off the Australian coast.

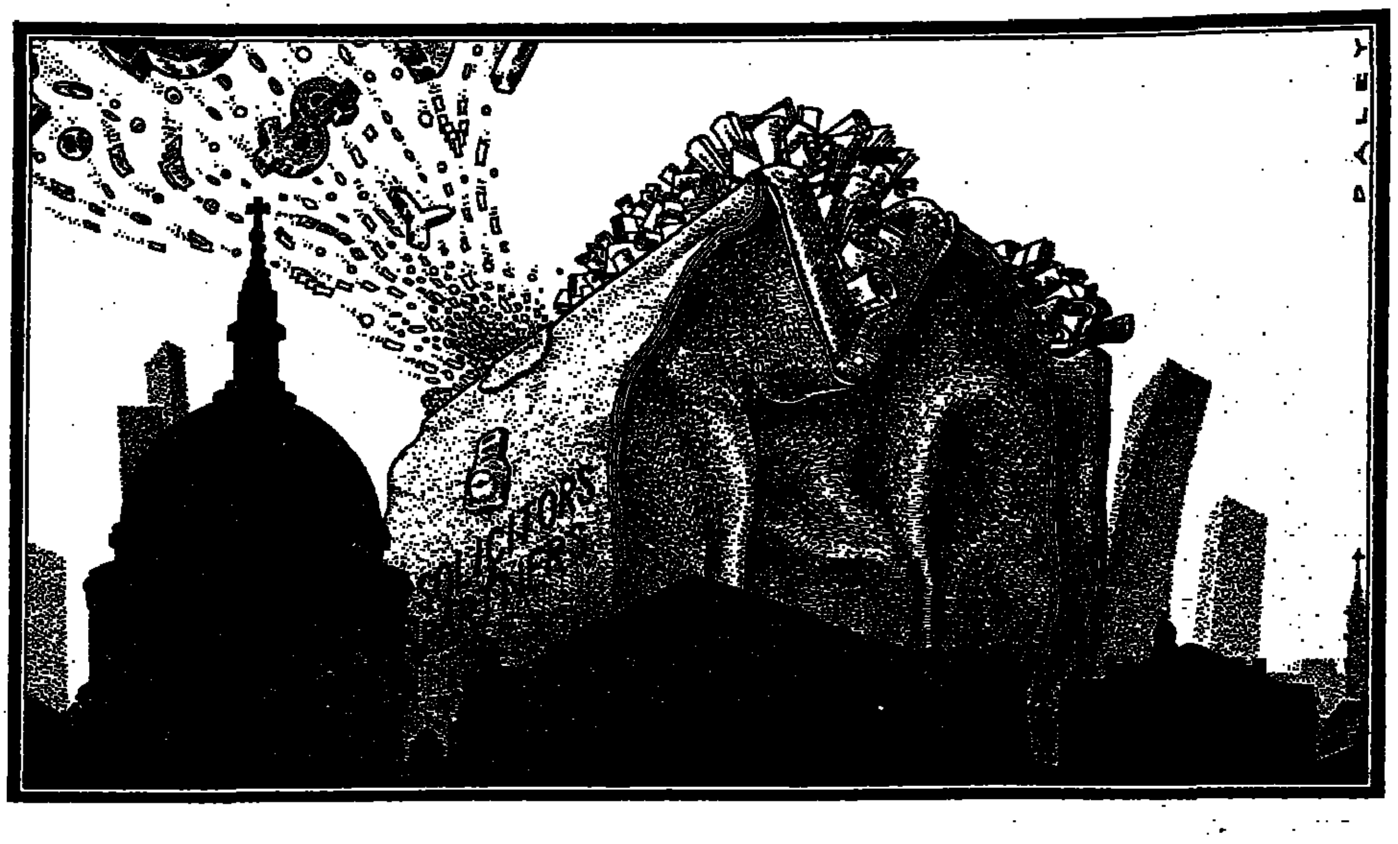
The current external account looks a good deal less healthy than the merchandise trade balance, burdened as it is by growing debt service. Australia is considered a highly desirable borrower in world markets: there is no question of it being able to finance its current deficit.

But the fact remains that overseas debt has been growing by leaps and bounds from A$8.2bn in mid-1970 to A$59.8bn in mid-1984. During the same time the proportion of equity in that debt has declined from 31 per cent to 18 per cent. It is not a healthy trend.

If it continues, and especially if the voluntary wage policy should fall apart in the autumn, Australia may face renewed shocks such as that which, in the four months up to last March, caused the trade weighted exchange rate to sag by about 15 per cent.

Mr Hawke might then be caught in a vicious circle of rising consumer prices, rising wages, lessened competitiveness and renewed devaluation. In that case politically dangerous tax increases might be his only way out. It need not happen. But the stakes are high.

THE CITY OF LONDON



The rise and rise of a new breed of lawyer

By Duncan Campbell-Smith

THEY FORM one of the most discreet professional groups in the UK and, increasingly, one of the most powerful.

Many of their head offices in the City of London lack even a brass plate to announce their presence. Yet they are household names in international business.

And when some momentous legal battle captures a wider audience—as over Iran's U.S. hostages in 1980/81 or the search for a settlement between the airlines and Sir Freddie Laker—their names go up in lights.

They are the City solicitors—fewer than 70 partnerships in all—and the biggest of them have swollen almost beyond recognition in the last decade and a half.

Recent months have seen them beginning to take stock of this remarkable growth—and of problems and challenges which now confront them in a period of change unprecedented for a century or more.

"One of the most dramatic and interesting periods ever," is how Sir Max Williams, senior partner of Clifford Turner and former president of the Law Society, describes it.

There is no more striking evidence of the change than the initiative taken by firms like Linklaters & Paines, Herbert Smith and Simmons & Simmons since the beginning of the year to hire public relations firms. What they want from them is still unclear—not least to the PR men—but the big firms know that City solicitors are not what the used to be. And it concerns them that the wider public may not yet have grasped this.

The gist of the change is that they have ceased to be just solicitors practising in the City. They have become international law firms, built increasingly along the lines of their counterparts in the U.S.

"We are not solicitors—we are corporate legal advisers," says Mr Nicholas Wilson of Slaughter & May. In other words, far more divides these firms from the rest of the profession than simple differences of size. "The two solicitors' partnership in Penrith or whereever," says Mr David Mullock, executive partner of Norton Rose, Botterell & Roche, "has less in common with a Bishopsgate firm than we have with a City merchant bank."

But distinctions, too, must be drawn even within the City profession. Crawford's Directory of City Connections lists 67 City firms. Only 10 of these really share characteristics of size, breadth and general reputation strong enough to constitute a readily identifiable group of international firms—and they are listed in the panel.

House conveyancing — so critical to the High Street firm —accounts for only a tiny part of their fees; crime and matrimonial work do not feature at all. The clients filing solemnly in and out of their carpeted corridors or clustered around their huge conference tables beneath ubiquitous street maps of 18th century London are there on other matters entirely: they are banks, companies, accountants and government representatives who need the City lawyer's help at every turn of their affairs.

Individuals in the group have different reputations. Linklaters, Allen and Overy and Slaughter and May, for example, enjoy a formidable prestige in the eurobond markets. Herbert Smith has a widely respected—not to say, feared—litigation department. Freshfields has always taken the lion's share of the Bank of England's work. Lovell, White and King has a strong bias towards U.S. corporate clients, while Clifford Turner has the largest overseas presence and more tax work than most. And so on.

But all play a role of some kind in each key area of City life. Together, they account for 55 per cent of all the clients listed in Crawford's for 359 UK partnerships. And the same 10 must certainly bring in the greater part of the City's invisible overseas earnings attributable to solicitors, which amounted to £79m in 1983.

Competition for this business is intense. No current list of pre-eminent firms would have been appropriate ten years ago; nor, most would agree, will today's 10 look quite the same just five years from now.

Elsewhere in the City are many, only slightly smaller firms with their own international reputations. Stephenson Harwood, for example, which figured so prominently in the Iranian hostages crisis, is still renowned in international banking. Other groups of partnerships with a particular expertise have been a part of the City's history and remain conspicuous, most notably in shipping. Some firms, like Cameron Markby, have risen from this kind of specialised background to emerge as potentially leading firms of the future.

They must be hoping that the future opportunities for growth remain as exciting as those seized by the 10 since 1970. Mergers and acquisitions, hostile or otherwise, have become a commonplace of corporate life. The world has become an incomparably more litigious place. The North Sea has spawned a whole legal industry of its own. Above all, the Euromarket's growth has seen London grow into an international financial centre to rival New York—and the City's lawyers have grown fat on a flood of banking business.

But the lawyers have gone one better than simply riding on the City's ascendancy. They have worked as a profession to make English law as commercially competitive as possible and have exploited the universality of English as the language of business to involve themselves in non-UK legal matters far beyond the confines of the City itself.

This has amounted in many respects to a frontal—and strikingly successful—challenge to the big U.S. law firms. The resulting growth, according to Mr Tony Mallinson, senior partner of Slaughter and May, has been "very remarkable." In many areas of international finance for example, more and more English lawyers are seen to be offering a faster and cheaper service.

Perhaps this should not be surprising, given the relative complexity of many U.S. indentures, say, as compared with English trust deeds, which do the same job. And a qualified lawyer joining a New York firm can expect to earn $60,000 in his first year—against about £11,000 in the City.

Not that anyone, though, should fear for the personal remuneration of City lawyers. Salaries rise steadily to around £40,000 per annum when individuals are in their early 30s and jump impressively if they are then made partners in the firm. With annual fee turnover for each of the 10 now in the £15m-£20m bracket or more, a significant proportion of partners take home well over £100,000—and a few, more prominent partners a good multiple of that.

It must also be said that the lawyers share none of the panoply of perks enjoyed by the City's merchant bankers. Few would deny, either, that the lawyers work ferocious hours under the strain of more responsibility than perhaps is generally appreciated.

Indeed, the ever increasing strain on their colleagues' family lives concerns many senior partners. But they have other problems which, if no graver, are undoubtedly more pressing. At least four kinds of problems are paramount.

"The main change of recent years is the need for lawyers to work in teams," says Mr John Cama, senior partner of Cameron Markby. "Firms therefore just have to be bigger." This has caused administrative headaches for most of the growing partnerships. There is a clear trend towards employing non-partner managing executives, like the "Director of Administration" appointed in 1983 by Linklaters, the chief architect of the Laker Airways settlement and the largest firm in the City.

Computerisation of the office is a key issue here. Several of the 10 firms have spent over £1m inside the last two years and all expect to spend much more.

Second is the problem of the 10's place within the solicitors' profession. "The gulf between what we do and the rest of the profession is almost unbridgeable in many areas," says Mr John Goble, senior partner of Herbert Smith. This is placing an inevitable strain on relations betwen the 10 and the Law Society, the profession's governing body.

Novel competitive pressures are a third preoccupation, disrupting many traditionally cosy City relationships. More cost conscious corporate finance directors are increasingly shopping around for the sharpest price quotes—much as most senior partners deplore it the quotes are often strikingly different—and "beauty contests" by clients reviewing their long term relationships are a growing phenomenon.

Another critical aspect of the new competition is the rivalry to attract the best graduates each year as articled clerks. The profession has won its battle to persuade first class graduates that the bar is no necessarily their natural legal habitat; but the high standards required—and the high numbers needed to sustain the enlarged partnership sizes—are ensuring that the rivalry between firms remains intense.

And fourth, the lawyers have a wary eye on the growing encroachment on their terrain of the huge international accountancy partnerships. A few dispute the seriousness of this threat. "But it is happening," says Mr Hugh Peppiatt, senior partner of Freshfields. "I am more concerned than some others—look how the accountants have already cut a swathe through other professional areas."

There is some nervousness, too, about the danger that this might provoke the 10 into a possibly self-defeating advertising contest. New Law Society rules have relaxed the advertising ban on solicitors but the 10's senior partners would dearly like to ignore the change. "It's a slippery slope though," says Mr John Calvert of Simmons & Simmons. "Once someone starts down it, there'll be a cascade, no doubt about it."

Despite all these problems, however, the City lawyers have every reason to remain optimistic for the future. For each of their problem areas, it might be said, there is at least one major challenge.

In managing their partnerships, they have now to adjust to the huge influx since the mid-1970s of qualified women solicitors. Out of a total of 608 partners in the 10, only 27 are women, (women accounted for 45 per cent of all UK articled clerks enrolled in 1984).

In competing for new business, the firms have new geographical areas to tackle—perhaps most importantly, China — as well as new growth areas in the law, like intellectual property and labour law.

As for the accountants' legal departments or even the (still remote) prospect of a challenge from multi-disciplinary practices, the big law firms have every incentive to go on the offensive, perhaps chasing more of the tax work still heavily dominated by the accountants. "Big firms inevitably accumulate a lot of commercial knowledge and judgement," says Mr Simon MacLachlan of Clifford Turner. "There must be some way for us to use that beyond the confines of pure legal advice."

Which only leaves the question of regulation and the City firms' image within the legal profession and beyond. Much is likely to depend here on their own adjustment to the changes that have already occurred, as the firms have begun to acknowledge. There are plans afoot for the publication of several glossy brochures.

"Not too damn glossy, I hope," says one distinguished senior partner. The old discretion will die hard.

TOP CITY LAW FIRMS

Name of firm (alphabetical order)	Total number of English qualified staff	Number of partners in 1970	today
Allen & Overy	149	19	52
Clifford Turner	220	23	74
Coward Chance	163	18	54
Freshfields	190	21	58
Herbert Smith	194	26	56
Linklaters & Paines	238	27	79
Lovell, White & King	153	18	55
Norton Rose, Botterell & Roche	173	25	61
Simmons & Simmons	152	17	55
Slaughter and May	198	27	64

Men and Matters

Abell seeks new rights

The City is taking a long time to make up its mind about David Abell. Bankers and brokers considering yesterday's rights issue are asking whether the man who became the chairman of Suter Group, then Suter Electrical, four years ago is a serious businessman or a mere dealer in shares.

In the past Abell, aged 42, has been both. In his twenties he made a stock market fortune on his own account while climbing the corporate ladder at BL, becoming corporate treasurer at 29 before going on to head the special products and commercial vehicles division.

On taking over at Suter, he put those skills into play. He bought the loss-making Prestcold refrigeration business from BL in a spectacular deal. He took over Francis Industries, and Lake and Elliot, and bought and sold shares in James Neill, F. H. Lloyd, and Newman Industries, to name but three cards in Suter's investment pack.

The group began to prosper. With the help of hand-picked colleagues recruited from BL, Abell has made the old Suter businesses and Prestcold perform as never before. Francis Industries, bought last year, is beginning to feel the Suter effect.

Abell believes he can win more friends in the City: "We have got to show that we are not paper merchants. We have got to show that we make profits by increasing the profitability of our businesses. We have a 100 per cent success record so far."

There will however be a balance between expanding existing companies and buying up new ones. "We have to make acquisitions to fulfil our aim of becoming a major group. Look at BTR."

Viennese waltz

Nothing could have been more redolent of the old Austro-Hungarian empire, which once held sway in central Europe, than the setting for the 30th anniversary celebrations of the Austrian State Treaty, which gave Austria back its independence 10 years after the end of World War II.

The highest Austrian dignitaries, the foreign ministers of the old occupying powers—the U.S., Soviet Union, Britain and France—and of Austria's neighbours on the east and west, were crammed into a small, ornate salon of the splendidly baroque Belvedere Palace.

It was in this same 18th century Marble Hall that the State Treaty was signed on May 15, 1955. The treaty is a unique document in post-war history, since it marks the only occasion on which the Soviet Union allowed a country which it had partly occupied to escape from its clutches and, on condition it remained neutral, to become free and capitalist.

Solemn though the occasion was, it did not lack its lighter touches. The foreign minister of tiny Liechtenstein, not normally at the centre of world affairs, clearly revelled in the chance to meet his East European colleagues from Hungary, Czechoslovakia and Yugoslavia.

Anxious to celebrate not only its recent political history but Austria's renowned musical heritage, the organisers somewhat incongruously interspersed ministers' speeches on the merits of neutrality and detente with snippets of Haydn and Mozart. It was all rather like a school speech day.

There were also some unscheduled events—such as the sudden disappearance at the end of the ceremonies of George Schultz, the U.S. Secretary of State, and Andrei Gromyko, his Soviet opposite number. They went into a side room for a 10-minute bilateral exchange.

What more they could find to say to each other after six hours of arduous discussions the previous day is anybody's guess. But such is the stuff of which history is made.

"Of course in the old days you could silence critics by packing them off to the Lords"

Deutsche moves

Tradition triumphed after all at the supervisory board meeting of the Deutsche Bank. Wilfried Guth, aged 55, was elected chairman, and his predecessor, Hans L. Merkle, 72, made way for him gracefully, by all accounts.

There should have been no doubt about that. It is normal practice at the Deutsche that when the chairman of the managing board retires—as Guth has just done—he moves on to the top supervisory post.

But Merkle, a long-time member of the supervisory board, took over the chair last year when Franz Heinrich Ulrich had to step down on health grounds.

And though it was implicit that Merkle would hold the job on an interim basis, that was neither formally stated nor wholly certain.

For Merkle (nicknamed "the Godfather") is a man of implacable will, who headed the Robert Bosch electricals group for 21 years until last July. He is not used to being a "stopgap" in any respect.

During recent months, it became clear that Merkle was not only proving to be a firm chairman of the Deutsche board (which was to be expected) but was hugely enjoying himself.

Suppose he would not budge, ran the thought. Would Guth, perhaps the best known German banker internationally, have to content himself with a mere place on the board?

In the event, there was no hitch. "Merkle is Merkle—but he has been on the board long enough to know the form," said one relieved Deutsche man.

High life

The Architects' Journal is always lively reading, and I am entranced by its latest news of flights of fancy in the profession.

In Austin, Texas, claimed to be the fastest growing city in the U.S., they are building a special series of "user-friendly" mansions at $500,000 apiece. The builders offer a Hammer Horror model with its own dungeon.

No mileage

A consultant was given a contract by the chairman of a company the other day after being asked abruptly, "How old is the car you drive?"

"It's a 1978 model," admitted the consultant. "Splendid," said the chairman. "The last chap I interviewed for this job had just bought himself a new Bentley. I decided I was not going to help him run it."

Observer

THE SWEDISH ECONOMY

Suddenly, it all turns sour

By Kevin Done, Nordic Correspondent, in Stockholm

"THE FUTURE strength of the Swedish economy will stand and fall on the development of prices and costs. Year after year, the rate of inflation has been at a level far in excess of our main competitors... It is a big step forward when the Government dares to fix a precise goal for inflation, but of course there cannot be too much of a gap between the goal and reality." — Bengt Dennis, Governor of the Riksbank, March 6.

SWEDEN'S SOCIAL Democrats are facing a nightmare election year. Suddenly, the bandwagon that has rolled along impressively for 2½ years, propelled by a dramatic 16 per cent devaluation in October 1982 and supported by the strong recovery in the international economy, is threatening to become stuck in the sand.

Four months away from a general election, the Government sees what at one time appeared its strongest card, its management of the Swedish economic recovery, slipping from its grasp, as it is forced to resort to drastic monetary policies to shore up sagging confidence in the Swedish currency and rein in surging consumer expenditure.

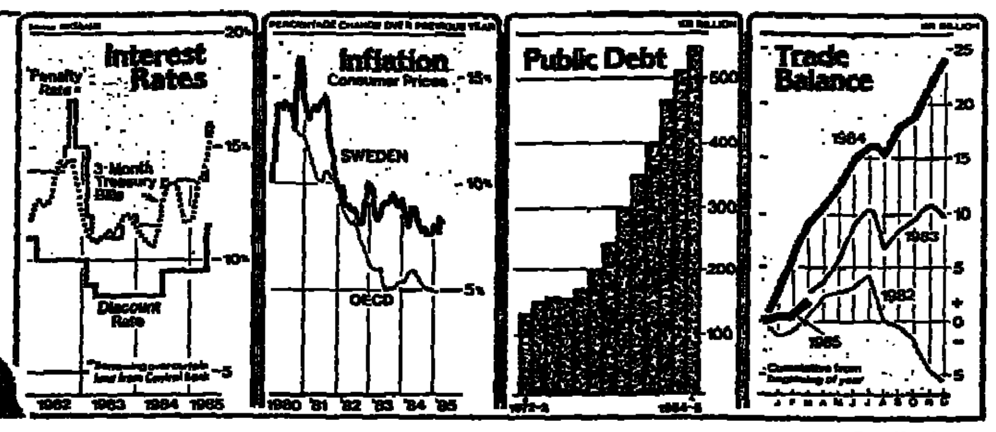
Only three weeks ago Mr Kjell-Olof Feldt, the Finance Minister, presented the Government's revised budget with the assurance that: "Sweden is on the right path.... The direction of economic policy since 1982 is yielding good results. The economic recovery has been more rapid than anyone dared predict."

Little mention was made of the sharp deterioration in the trade balance, the persistent outflows of capital or the debt-financed consumer boom. The strike by civil servants was still to begin.

For more than two years, Sweden has been swimming against the European economic tide, refusing to accept either higher unemployment or cuts in social welfare as a price for restoring balance to the battered economy. This week reality appears finally to have caught up.

The outflow of capital which started last November had become a flood. Since the beginning of the year SKr 10bn (about £885m) has flowed out of Sweden as the current account has worsened of which a quarter left the country last week alone.

Kjell-Olof Feldt



Bob Hutchison

The current account of the balance of payments, modestly in balance last year, plunged to a deficit of SKr 6bn in the first quarte. The value of exports in the first four months rose by only 4 per cent while imports soared by 19 per cent, sucked in by booming private consumption as well as strong industrial investment and stock-building.

To make matters worse, the crisis of confidence in the Government's ability to manage the economy has coincided with the country's biggest ever public sector industrial dispute. The strike has paralysed civilian air traffic and the railway goods years in southern Sweden are jammed with hundreds of wagons waiting to carry Swedish exports to the rest of the continent.

The Government tried to postpone the hour of reckoning with its sights set firmly on the election, but by Monday it could wait no longer.

In a package of crisis measures monetary policy was tightened drastically with interest rates hoisted to the highest level in Europe. The already restrictive controls on the volume of bank lending were further toughened.

At the same time Mr Feldt announced plans to double purchase tax on cars, to introduce stricter credit card and hire-purchase controls, and to siphon off yet more liquidity from the corporate sector to be placed "in quarantine" in low interest-bearing accounts at the central bank.

What has happened to turn the party so sour, just when the Social Democrats had been enjoying improved ratings in the opinion polls and appeared to be making up lost ground on the centre/right opposition parties?

With growing confidence since regaining power in September 1982, the Social Democrats—rulers of Sweden for 47 of the last 55 years—have been asserting that they have found a new recipe for leading Sweden out of the depths of economic recession.

The self-proclaimed "Third Way" was to lead between the Scylla and Charybdis of both restriction and expansion.

One-sided restriction would be liable to lead to increased unemployment, and land the economy in a vicious circle of falling production, diminishing investment activity and thus further unemployment, it was argued. Boosting demand through increased public expenditure, on the other hand, was also rejected because of fears of rising budget deficits, a deteriorating external balance and mounting inflation.

Instead, it was decided that Sweden would "both work and save" its way out of crisis.

In practice, the Social Democrats took advantage of their first hours in office to push through a dramatic 16 per cent devaluation which succeeded in giving Swedish industry an enormous competitive boost.

The short-term results have been undeniable.

A deficit on the current account of close to SKr 23bn in 1982 was turned into a small surplus last year. After years in the doldrums, industry has started to expand again with a big jump in profitability, production and investments, fuelled by booming exports. Open unemployment has been contained at around 3 per cent —albeit only with an array of labour market measures such as relief work and youth employment teams—and with growth again in the economy — GDP expanded by 2.5 per cent in 1983 and 3 per cent in 1984 — the tax base has expanded, allowing the bloated budget deficit to be cut significantly as a share of GDP.

All along, however, one particular ghost has haunted the feast inflation Sweden's inability to control its costs is renowned. The problem has been recognised well enough, but the doubts about the credibility of the Government's anti-inflation policies have grown ever more persistent as the gap between the Government's targets and reality widened.

The conviction has grown in the financial markets that all the structural problems in the Swedish economy remain. The devaluation that was supposed to be a once-and-for-all measure to kick the economy onto a new path is, it is feared, turning out to be just as temporary a benefit as its predecessors. There is speculation that a repeat performance may not be too far away.

Sweden still has the biggest public sector in the Western world with the share of public expenditure rising to more than 60 per cent of gross national product, compared with the 30 to 50 per cent of most other industrial countries.

As a result, the Government has built up a mountain of debt —at more than SKr 550bn it is approaching 70 per cent of GNP —interest payments are virtually the largest single item in the state budget after the social services department, and the country carries the West's highest tax burden at around 50 per cent of GNP, compared with an average of some 37 per cent in the OECD.

Two months ago Mr Bengt Dennis, governor of the central bank, said that, despite the short-term gains since 1982, the economic situation today was dramatically different from that a decade ago.

"We have a weak external balance and a big block of foreign debt. The deficit in the state budget is still very big. We have high liquidity in the whole economy, especially in the corporate sector. The financial imbalances did not exist 10 years ago—today they make the whole national economy unstable."

His conclusion was that Sweden had lost its room for economic manoeuvre.

Ambitiously, Mr Feldt set a target for inflation last year of 4 per cent by the end of the year. In fact, inflation was still running at twice this level. By the end of 1985 inflation is supposed to be down at 3 per cent. With this week's measures — chiefly the increase in the discount rate — inflation has already pushed through that ceiling in less than five months. In March the inflation rate was still running at more than 8 per cent compared with the same month a year ago.

Various carrots were offered to gain union support for moderate wage rises, among the most controversial being wage-earner funds, a system for syphoning off company profits into trade union-controlled funds for investing in Swedish equities. But it appears to have taken a year too long for the union movement to come round to the Government's side.

Last year's wage round was a disaster. It turned into a free-for-all, the centralised bargaining system broke down, and with the Finance Minister in the Far East the public sector unions pushed through clauses in their agreements allowing them to come back and renegotiate later if their private sector colleagues stole a march during the year.

With profits booming especially in the export companies last year, Sweden's notorious wage drift took hold and helped drive up the average industrial worker's wages by 10.9 per cent, with wages in some sectors such as pulp and paper jumping by close to 14 per cent.

After months of laborious negotiations at Rosenbad, the Prime Minister's office, the Government did manage earlier this year to wring an agreement in principle out of the national union confederations and the employers on a 5 per cent labour costs ceiling in the 1985 wage round.

Despite such undertakings, high corporate profits and a shortage of skilled workers are expected to fuel wage drift again in the overheated parts of the labour market.

At the same time Mr Feldt had to offer hostages to fortune in the shape of promises of real wage rises. Long before the wage round was in the bag he promised an income-tax rebate this summer.

To make matters worse, while the foot-soldiers of LO, the blue collar workers' trade union confederation, have backed the Government's policies, civil servants in the public sector have decided that enough is enough and have gone on strike to try to force the State to honour the terms of last year's wage deal.

The Government and the central bank are now waiting anxiously to see if Monday's measures work, but many in the financial markets are sceptical and expect a long, unsettled summer. Mr Feldt has insisted time and again that the devaluation ploy cannot be repeated. Sweden would simply lose too much face abroad and the inflationary spiral would start again. If that is the case, then the country could be in for more bitter medicine.

Aran's bid for Petrolex

The City's bolt from the green

By Dominic Lawson

SOMEHOW, it just had to be Aran Energy that staged one of the most audacious corporate hijacks in the City of London's recent history.

The announcement on Tuesday morning that the Irish oil and gas exploration company had taken control of Petrolex, a UK oil company highly coveted for its 0.25 per cent stake in the Forties Field, was greeted with disbelief on the Stock Exchange. Had not Petrolex already agreed to be taken over by the carnivorous UK exploration company Saxon Oil? Yes. Was it not the closing day of Saxon's offer? Again, yes.

But hasty calls to the Takeover Panel confirmed that although something very peculiar had happened, Aran's coup was unstoppable.

In fact, according to Mr Michael Whelan, the 52-year-old Dubliner who is chief executive of Aran, the Irish company made an initial informal approach in December last year. Then in January, Clyde Petroleum, a UK oil company, launched a £9m cash bid for Petrolex, which was raised a further £2m in April. That might have won the day, but later in the month Saxon, which itself had once fought off a bid from Clyde, got Petrolex's board to agree to a £13.8m "merger."

Last week Aran began to test out the major institutional shareholders in Petrolex. By Monday midnight Aran had teered over the crucial 50 per cent mark, when Oxoco, a Houston-based oil company with a 6.4 per cent stake in Petrolex telexed its acceptance of a cash bid of 88p a share. About three hours earlier Saxon's advisers, Schroders, had offered the Americans 84p.

For Aran Energy which has spent the last 13 years as the intermittent object of some of the most frenzied investor speculation, the events of the past few days seem almost normal.

Formed in 1972, the company was into Irish oil exploration early, and as a result has stakes in 60 per cent of all Irish oil and gas licence awards. Like its fellow Irish oil stock, Atlantic Resources, Aran's Irish pedigree has assured it very high equity stakes in some areas, seemingly out of all proportion to a tiny capital base—a recipe for fevered speculation.

When British Petroleum struck 3,000 barrels a day of oil in the deep waters of the Porcupine basin off the west coast of Ireland in 1981, Aran's shares rocketed from 60p to 346p in months on the back of its 18 per cent stake in the well.

Subsequent appraisal wells were dry, and the shares collapsed as quickly as they had risen. BP has just returned to investigate the area after an absence of some years so there is every chance of another Porcupine roller-coaster on the Irish stock exchange this summer.

A second Irish oil bubble blew up in 1983 when Gulf Oil hit 6,500 barrels a day of light crude from a block in the Celtic Sea, off Waterford.

Michael Whelan argues that one reason for diversifying into the North Sea via Petrolex, and becoming "half British" is to break away from the disruptive boom and bust of the Irish oil sector.

The more cynical would argue that just as Mr Whelan knew when to enter the Irish oil scene, the shrewd ex-Shell Oil lawyer knows just when to get out.

The oil industry has been drilling off Ireland since 1970 and has yet to prove a commercial oil field. Phillips, the U.S. oil company and a pioneer in the North Sea, has recently chosen to relinquish its interests in the Porcupine, even where it discovered oil in 1978.

The third Irish offshore licensing round's closing date has been extended twice and, last month the Irish Government was forced to promise more favourable tax treatment of future marginal oil discoveries, to lure back the nomadic international oil industry.

Mr Whelan denies the charge of leaving a sinking rig. "This theory is logical, but not true," he claims. Irishness indeed may yet be a very potent weapon—for having persuaded the Irish central bank that the buying of shares in UK companies is a good thing. Mr Whelan may well reason that if Aran's shares are boosted by some future Irish oil bubble, they would be potent as a means of buying shares in other UK oil companies.

Letters to the Editor

Anglo-French collaboration

From the National Organiser, Aerospace, Technical, Administrative and Supervisory Section, Amalgamated Union of Engineering Workers

Sir,—On May 17, 1965, the memorandum of understanding which led to the design, development and manufacture of the Jaguar military aircraft was signed by both France and the UK. Jaguar is still in production and is but one example of successful Anglo-French collaboration.

Twenty years on, the French and the Britain again, together with other European nations, are discussing the collaborativ production of a European fighter aircraft (EFA). Agreement is bogged down in a sea of problems so what has gone wrong? Defence Ministers meeting this week from the proposed collaborating nations appear far from agreement.

This is primarily due to problems over the work-share arrangements where the French want a bigger share than anyone else. The key problem is therefore one of domination versus collaboration.

Time is running out for the UK industry. With or without the French, progress must be made soon otherwise massive industrial problems affecting thousands of jobs will descend on Britain's military aerospace sector.

Britain must explore arrangements with the other European nations prepared to collaborate in the event the French cannot be persuaded.

While we in Europe squabble, our U.S. cousins wait in the wings, poised to take the advantage. The experience of 20 years ago might serve as a reminder to those in negotiations that collaboration can be achieved where there is a will.

D. Darke.
Onslow Hall,
Little Green,
Richmond, Surrey

European football

From Mr D. Toft

Sir,—Your Stockholm correspondent (May 14) gives a graphic description of Sweden's economic crisis. After outlining the measures taken by the Socialist Government to deal with this, he quotes an influential bank economist as saying that the measures will be futile in trying to change inflationary expectations because the lack of confidence in the Government is to do with vast cost and price increases, too high taxes and too large budget deficit.

The self-appointed Centre Forward of the Tory [illegible] should note this before he scores an "own goal."

D. M. Toft,
22, West Side, SW19.

Useful wages council

From the General Secretary, National Union of Tailors and Garment Workers and the Director, British Clothing Industry Association

Sir,—Samuel Brittan (May 13) takes an oversimplistic view of the current debate on wages councils. In the clothing industry statutory enforcement of minimum terms and conditions have served both sides of the industry very well since their inception and we are committed to their retention. They have provided the bedrock on which a stable and widely supported national collective bargaining machinery has been built.

Mr Brittan also refers to the findings of the D of E research paper entitled "Wage floors in the clothing industry 1950-81." Interestingly no representatives from either side of our industry have been consulted or involved with this report in any way and it would be very difficult to find anyone in our industry who would give any credence to the view that job losses in the clothing industry have resulted from the level of rates of pay fixed by the wages council. It is well known that the vast majority of job losses have been caused by cheap imports and the effects of the recession.

If there is a case for reform of the system let us hope that the debate on the future of wages councils can be conducted with more reference to facts and the industrial relations needs of individual industries rather than economic theory.

Alec Smith,
John Wilson.
c/o 6-9, Upper St Martin's Lane, WC2.

Employment and pay

From Mr F. Wilkinson

Sir,—As one of the authors of the Department of Applied Economics, Cambridge report on wages councils referred to by Samuel Brittan (May 13), I find it extraordinary that he should claim that the businessmen who helped with the survey deliberately misled us on the question of the relationship between pay and employment. The only evidence for this conspiracy theory seems to be that their views conflict with his.

The reality is that a large majority of businessmen and others we interviewed or whose evidence I have seen and who have practical experience of the working of wages councils believe that they serve a useful economic and social purpose. I do not find it surprising that their opinions are diametrically opposed to those of the theorists of the new supply side economics and its vulgarisers; after all the appalling state of the British economy suggests that the latter have got many things wrong.

Frank Wilkinson.
Department of Applied Economics,
University of Cambridge,
Sidgwick Avenue,
Cambridge.

Claims against surveyors

From Mr M. Illingworth

Sir, — It is not unreasonable to assume that most readers are property owners, and that during the process of acquiring that property they had it surveyed by a member of The Royal Institute of Chartered Surveyors. Hopefully not too many readers have had reason to claim against their surveyors for problems arising following the acquisition of the property. If they have, and if their surveyor's professional indemnity policy was that of the institute, they will probably have encountered the following situation.

Once the amount of the claim for damages has been agreed they will have been requested to sign a form of discharge (the institute's standard format) which would appear to be anomalous for this day and age.

It removes from the client the right to make any further claim relating to the survey, a service for which a payment has been made, and which is effectively a guarantee within the parameters defined in the survey report.

The consequences of claims on other guarantees being similarly settled I leave to readers' imagination.

It is self-defeating. As a result of this format most claimants will feel obliged to instigate a fresh survey of their property to ensure that they are not left unprotected. The cost of this second survey is then added to the amount of the claim against the original surveyor, thereby increasing the cost to the institute's insurance underwriters. The second survey may create further claims and at the end of the day the client is left with, once again where applicable, the insurance cover of the Institute of Chartered Surveyors.

I suggest therefore that the Royal Institute of Chartered Surveyors should examine this format and its objectives, especially at a time when the service provided by all the professions to their clients is coming under criticism. The current situation can only be damaging to the reputation of the institute and, more important (I hope) damaging to the relationship of members of the institute with their fee-paying clients, especially those who over a period of time have built up a good working rapport.

M. D. H. Illingworth.
36, Ormiston Grove, W.12.

Falkland Islands sovereignty

From Mr F. Jones

Sir, — Britain and Argentina have been squabbling over Falkland Islands sovereignty since 1833. Is it not most bewildering that, this century, neither country have even seen fit to use the established international machinery for resolving that dispute.

Whatever politicians may say in public in London or Buenos Aires, they know that the words of the Foreign Affairs Committee (Fifth Report, volume 1, Falkland Islands) are true: "The historical and legal evidence demonstrates such areas of uncertainty that we are unable to reach a categorical conclusion on the legal validity of the historical claims to the Falkland Islands."

I have close family and work connections in Britain, Argentina and the Falkland Islands and deplore the invasion of the Falklands by Argentina and the subsequent sinking of the Belgrano in circumstances still far from clear, but share the view of Borges that "It was like two bald-headed men fighting over a comb."

The Falkland Islands used to be self-supporting. Now, once again, some kind of accommodation with Argentina is not only inevitable, in view of the cost of Fortress Falklands to the UK, but also desirable if the Falklands are to have any prospect of long-term economic prosperity and political stability. Anglo-Argentine trade would benefit and democracy, too. The happy solution of the problems of the Beagle Channel and of Hong Kong by good will and common sense are a good omen.

Frederick Jones.
Four Winds, Ipswich Road,
Rougham, Bury St Edmunds,
Suffolk.

FINANCIAL TIMES

Thursday May 16 1985

Peking brings all foreign companies into tax net

By Robert Thomson in Peking

THE CHINESE Government has announced tax legislation designed to ensure that all foreign companies operating in China are subject to industrial and commerical consolidated tax.

The consolidated tax will be charged at a rate of 5 per cent from June 1, and the Government has also imposed an enterprise income tax of 15 per cent, payable from January 1 this year, according to the China Daily newspaper.

A diplomatic finance officer believes the legislation has been introduced to tax China-based foreign consultants and the agent offices of overseas companies, some of which are not covered by existing tax legislation.

Under the new regulations, taxable items include commissions, rebates and other fees received for conducting surveys, providing business information, or performing liason work for clients in China.

Foreign companies with offices in several parts of the country will be liable for tax on each of the offices, and each office will have to pay the tax to local tax departments.

The new legislation – which has the cumbersome title Provisional Regulations on Levying Industrial and Commercial Consolidated Tax on the China-based Foreign Enterprise Offices – will not affect representative offices not receiving fees for services.

According to China Daily: "Those offices acting solely for their head offices and not receiving payment from clients for their services and those appointed by enterprises in China to engage in business mainly outside China will be exempt."

The regulations also require consultancy and agent offices to register with the Government before beginning trading, and requires those already trading but not registered to register.

The director of the Foreign Ministry's tax bureau, Jin Xin, said the legislation is in accordance with the tax treaties the Chinese Government has concluded with other governments.

He said that all offices falling within the regulations will pay on taxable items whether the payments are made in China or elsewhere.

In drafting the legislation, Jin said, the Ministry has balanced the "national interest" and the interests of foreign enterprise offices.

"Such an attitude will play an active role in facilitating the implementation of our open policy, absorbing foreign funds, imports of advanced technology and acceleration of our modernisation drive," he said.

Biotechnology deals with E. Europe, Page 6

Nissan may buy more car parts from Europe

BY CARLA RAPOPORT IN TOKYO

NISSAN may sharply increase purchases of European motor components for its Japanese operations as part of a plan to maximise its buying power for parts to be used by its planned UK car plant.

Mr Kaichi Kanao, a Nissan executive vice-president with responsibility for the Tyne and Wear plant which is to open next year, said in Tokyo yesterday that initial British output would be too small to ensure the lowest possible prices for components bought in Britain and continental Europe.

To overcome the problem, the company is considering increasing its orders from European manufacturers and sending the excess to its Japanese factories.

Nissan plans to produce 24,000 small cars a year at its UK plant. Mr Kaneo said the venture would not be profitable if orders for components were restricted to cover only the initial production.

Nissan declined to be specific about the size of its likely orders for components in Europe. Mr Kaneo said, however, that labour costs in the UK ensured that the scheme would still be viable, even allowing for the cost of shipping the excess components to Japan.

He said the special Nissan car carrying vessel generally returns empty to Japan. This vessel would most likely carry the components. Nissan said it was considering importing engines and advanced transmissions into Japan.

Representatives of Nissan's assembly operation in the UK stressed last night that no firm decision on such a course had been made, and said they could not comment on what type of components could qualify for shipment to Japan.

The Tokyo proposal caused some puzzlement in UK motor industry circles, as initial output from the Washington plant had been viewed as merely assembly from Japanese components. Formal commitments to a minimum level of European content do not become effective until phase two of the Washington project, which envisages a production increase to at least 100,000 a year, when Nissan must aim for 80 per cent local content.

The £15m contracts Nissan's subsidiary have placed so far have been for plant and equipment, some £10.5m worth of which have been placed in the UK.

Some trial orders have been placed with parts suppliers to see if domestic substitutions can be made on some minor components such as plastic mouldings. But these have not so far led to any agreements.

EEC steel industry curbs may be extended beyond year-end

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Community's patchwork of controls over the steel industry, put in place to aid restructuring, could be extended after the formal expiry at the end of this year.

For the first time yesterday, the possibility of a transitional period, out of the system of controls and into the free market, was put forward by Herr Karl-Heinz Narjes, the Commissioner for industry.

His remarks signalled the start of lengthy negotiations among the Ten and between the Ten and the Commission that should reach a climax in the late autumn.

Although numerous political declarations have been made to the effect that the control system finishes at the end of the year, no preparations have been made to dismantle production quotas and price controls. Industry ministers have not discussed the issue and formal proposals are awaited from the Commission.

"One conceivable parameter is to decide whether the prerequisites of Article 58 are applicable," Herr Narjes said.

This was a reference to Article 58 of the European Coal and Steel Community Treaty, which allows for the imposition of production quotas if "the Community is confronted with a period of manifest crisis." This article is the basis of the existing quota system.

But Herr Narjes said that there could be no further subsidies for the steel industry in any transitional period. Like the market controls, all subsidisation of the industry should finish by the end of the year.

His comments, which came as a surprise against the repeated assertions of a return to the free market at the end of the year, will not be welcomed in Bonn, although the West German industry gains benefits from quotas, but could meet approval in Paris and Rome.

Steel users have been pushing for at least the abolition of quotas on galvanised and other coated sheet by the end of this year and the abolition of all other quotas by the end of 1986. They want also an undertaking that there will be no further attempt to push up Community minimum prices.

Bid to aid information sector

BY OUR BRUSSELS CORRESPONDENT

THE EUROPEAN Commission yesterday moved to strengthen the hand of European information technology and telecommunications companies by offering the Ten new proposals for standards in information technology and for mutual recognition of type approval of telecommunications terminals.

Larger companies, said Herr Karl-Heinz Narjes, the Commissioner for Industry, in a clear reference to IBM, "already set the pace by imposing *de facto* standards. To avoid that we need an early agreement on standards to implement."

The Commission's action in this sector is part of a broader policy among the Ten to induce greater co-operation among high-technology companies and to unite the market by making equipment compatible from one country to another.

This movement in the high-technology field is running parallel with the broader agreement to simplify standards-making procedures agreed by trade ministers last week.

Herr Narjes noted that the normal practice of setting standards had been to harmonise existing practice. But this is impossible in information technology, he said. Engineers need to know the specifications for particular functions so that they can avoid development of machines and systems which do not work together.

Implementing the new standards would be carried out in conjunction with Cen and Cenelec, the two Community standards institutions, and with the European Conference of Posts and Telecommunications Administrations.

In the Commission's view this will ensure that Community work in this field chimes in with other international work

BTR gives go-ahead for buyout of Dunlop U.S. unit

By Charles Batchelor in London

BTR, the British industrial conglomerate which won control of Dunlop, the tyre and rubber products group, in March, is to sell Dunlop's U.S. tyre business to its U.S. management and a group of financial backers in a deal worth £140m ($176m).

Dunlop, while still an independent company, was poised to push through the same deal as part of its streamlining programme. But three days after details of the planned sale first emerged BTR more than doubled the value of its bid to £101m and obtained the backing of Dunlop's management to the takeover.

Sir Owen Green, BTR's chairman and chief executive, said there were three main reasons for going ahead with the sale.

Halting the deal would have damaged the U.S. management's morale; heavy investments will be needed at Dunlop Tire Corporation for several years; Dunlop Tire would have been isolated as the company's only major tyre-making business worldwide.

Dunlop Tire's management, headed by Mr Randall Clark, its chief executive, together with an investment group led by First Boston Inc, will pay $118m for the company and pay off about $60m worth of loans. The management will take nearly 10 per cent of the equity. Dunlop Tire had earnings of $17.5m in the year ended December 1984 and had net assets worth $84m at that date.

Sir Owen told several hundred BTR shareholders at the company's annual meeting yesterday that most of BTR's manufacturing companies had improved their performance in the early months of 1985. The distribution businesses were also improving after a "less exciting" first-quarter.

Sir Michael Edwardes, the former Dunlop chairman who headed the fight against the BTR bid, will receive significantly less than the £390,000 figure implied by his management contract, Sir Owen said. Sir Michael still had 2½ years of his £156,000-a-year contract to run when the takeover went through.

Sir Owen, who reached the 60-year retirement age for BTR executives on Tuesday, said he would be staying on "another year or so." He added: "We have got several candidates for my successor. I don't see any problem. If the board wanted I would be willing to stay on as chairman until I am 65."

THE LEX COLUMN

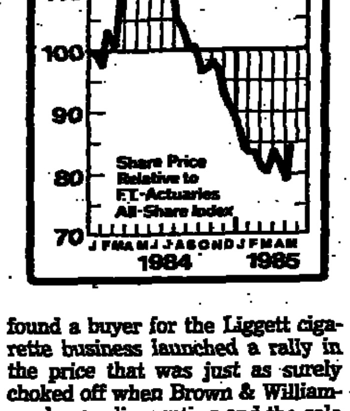
Straitened state of the Union

When Commercial Union's share price rose 6p to 232p yesterday it was presumably because first-quarter attributable losses, at £21.1m, were only 10 times those of the same period last year. Though the figures could have been worse, it is puzzling why the market seems to be treating CU as a recovery stock on the same lines as Royal Insurance or General Accident.

There must still be some shareholders holding on for a bid, though anyone who might be interested in CU has managed to keep very quiet about it. But it is hard to be all that optimistic about CU's business as such. While Royal and GA saw substantial underlying rises in their non-life premium incomes in the first quarter – due to a firming of premium rates rather than increased volume – CU's fell by over 12 per cent in dollar terms. This means that its expense ratio will almost certainly continue to increase and so will claims as a percentage of premium volume. Moreover, if CU has further reserving problems, they will have a disproportionate impact on its shrinking premium base.

All this suggests that the next couple of quarters, at least, will be sticky. As a response to this, perhaps, CU has moved £100m out of equities and into fixed-income stocks – ensuring a higher yield, but fewer opportunities for long-term capital gain – and has pulled a $50m surplus out of its U.S. pension fund to bolster the reserves for its American underwriting.

But over the longer term, even if the underwriting cycle does take a turn for the better, CU's contraction means that it will not stand to benefit nearly as much as its competitors. In the U.S., it will be a medium-sized company rather than a large one, competing with others who probably have lower expense ratios. And unless it is prepared to watch its solvency ratio fall further, it will not have the capital to expand again. The best solution for its shareholders might be for it to find a painless way to wash its hands of America entirely. Otherwise, they could end up facing a rights issue.



GrandMet

Adverse communiques from the front line of the U.S. unbranded cigarettes war have not, traditionally, been bull points for the GrandMet share price. Indeed, the news last year that GrandMet had at last found a buyer for the Liggett cigarette business launched a rally in the price that was just as surely choked off when Brown & Williamson began discounting and the sale collapsed.

None the less, yesterday's confirmation that Brown would extend its cigarette discounts at least until the end of 1985 was water off GrandMet's back. The share price ended an active day 12p up at 320p – despite a 10 per cent drop in interim pre-tax profits to £131.9m.

That figure still came in above quite a few forecasts that were scaled down after the annual meeting. And the City has now made up its mind that there is no longer any Liggett in the share price – provided it does not start losing money. However, nobody is quite clear over what Brown, or its parent BAT, is up to. If Brown contents itself with somewhat less than its target market share, then Liggett will be saleable and shareholders should enjoy the bonus. But if Brown decides to exploit its cost advantage to the full and dreams of riding the next recessionary growth in generic cigarettes on its own, then the reverse applies.

The fact that Liggett only shaved into the black in the six months to March concealed an improvement in the rest of GrandMet's U.S. consumer products business, of £8m or so – and this with only three months of Quality Care and heavy promotional expenditure at Children's World. The same thing occurred in the brewing division: a hard time selling beer to unemployed German steelworkers wiped out a £2m cut in the cost base at Watney Mann.

The Stern brewery amounts to little in the context of the whole group. What will be crucial for the prospect of a 1986 recovery is the performance of Host and the other UK consumer services after the heavy expenditure. Whether GrandMet's theme pubs really can drag 'em in and are more than a brewers' fad this summer will show.

With some £450m in dollar debt converting at unchanged rates from the balance sheet date, GrandMet's borrowings have increased despite the sale of the Express Northern business. Net equity gearing should close the year at under 50 per cent, but this is quite a high level for a group of GrandMet's ambitions and cigarette subsidiaries.

Ultramar

After the rather accident-prone impression Ultramar gave for much of last year, one good quarter is not necessarily going to propel its shares into the height of fashion – particularly when the underlying oil market is in such an obviously shaky state. But it does seem as if the operating figures are moving Ultramar's way at present, and the shares moved up 12p yesterday. At 242p they are nonetheless valued at a bit less than five times likely 1985 earnings.

Net profit in the first three months of 1985 reached £48.4m, more than two-fifths higher than a year ago, helped by a larger number of LNG cargoes shipped from Indonesia, and by Ultramar's improbable achievement of turning round its shipping result. Quite apart from a translation gain on peseta ship-loans, the fleet was fully employed and making a contribution even after interest. If the threat of disorder in the Canadian downstream market can never be put entirely out of mind, Ultramar has, nonetheless, turned a profit there in the first quarter, and has some hope of doing well out of the impending deregulation.

With lower capital spending – after the major outlays of the past few years – and higher operating cash flow, the balance sheet is degearing itself nicely, no doubt giving Ultramar the scope to make more investments. Its success in picking up unquoted U.S. exploration and production in the Enstar deal last year was rather underappreciated in the market, but may give a better clue to Ultramar's preferred options than this week's auction of Petrolex.

Brazil likely to seek new overseas loans

Continued from Page 1

cent annual averages of $1.2bn to $1.3bn.

Brazilian and World Bank officials are currently involved in an intensive series of meetings in Washington and Brasilia to try to boost as much as possible the gross value of Brazil loan projects before the end of June, the closing date for the World Bank's fiscal year.

By the end of April, the total package agreed had reached less than $400m according to Brazilian officials, leaving a considerable amount of ground to be made up.

Among reasons for the slow progress in putting together the World Bank's usual package of Brazilian loans are the acute shortage of local counterpart funds for projects and delays resulting from the change of government in March.

Difficulties have also arisen over conditions the World Bank is applying to certain major loans.

Bonn changes tack on EEC cereal prices

Continued from Page 1

opening remarks last night insisted that member states and the European Commission had "misinterpreted" his earlier references to the veto.

The minister went on to apologise to Mr Frans Andriessen, the Farm Commissioner, for remarks made during heated exchanges earlier in the week. And he appealed directly to his nine colleagues to help Germany overcome the political difficulties it would inevitably encounter if a cereals price cut is concluded.

Some observers have suggested that the ruling centre-right Bonn coalition might have concluded that its drubbing at the hands of the opposition Social Democrats in regional elections in North Rhine-Westphalia last weekend left nothing to be gained from continuing the cereals battle.

It now remains for the Council presidency and the Commission to find a suitable formula

St Regis management to buy company for £30m

BY TONY JACKSON IN LONDON

ST REGIS International, the UK paper and packaging company, is to be bought by its management from U.S. parent Champion International in a deal worth an estimated £30m ($37.8m). The buyout is one of the biggest so for organised in the UK.

The venture is headed by Mr Harold Hazell, St. Regis' chairman, and three of his fellow-directors. The buyout will be financed entirely by equity, with the majority of the shares being placed with pension funds, insurance companies and other financial institutions. A stock exchange listing is to be sought within the next two years.

Champion International acquired St Regis of the U.S. for $1.8bn late last year. The sale of the UK business is part of a programme of disposals whereby Champion aims to reduce the debt arising from the acquisition.

St Regis is the UK's sixth largest paper company, built up by St Regis of the U.S. in a series of acquisitions since 1971. Profits before tax last year were £6.5m on sales of £141m, and net assets are worth £39m. No price for the buyout has been disclosed, but outside estimates put the figure at slightly over £30m.

Half of St Regis' sales consist of paper for corrugated case manufacture. It is the UK's biggest producer of paper for this market, and has five mills of which the raw material is 80 per cent recycled waste. The remainder of sales consist of corrugated case manufacture at a further seven factories.

The buyout is being handled by Manchester Exchange Trust and stockbrokers L. Messel. Mr Hazell and his fellow-directors will own only a minority of the equity. However, their stake can be increased according to a formula based on profits in 1986.

The stock exchange flotation will therefore not take place until 1987 at the earliest, though the company's advisers stressed that it is intended to provide a market for the shares at the earliest opportunity.

Olivetti buys 49% of Munich computer chain

Continued from Page 1

49 per cent of Start Computer has been effected through a capital increase in the Munich-based company. Although Start at present has only two shops in Munich, Olivetti said last night that it plans to invest a further DM 12m over the next three years to develop a West German retail chain of about 50 shops.

In the U.S., Olivetti owns 46 per cent of Microage, the third largest U.S. microcomputer retail network, which has around 200 outlets.

Docutel, the Texas-based bank automation and office equipment distributor, of which Olivetti owns 46 per cent, yesterday reported a first-quarter loss of just under $10m on sales of $24.8m.

The first quarter deficit at Docutel comes after two years of spiralling losses. Last year Docutel lost $41.8m on $163.9m of sales. This was a serious worsening of the 1983 performance when Docutel lost $18.3m on sales of $221.8m.

Olivetti announced recently that it intended to seek full control of Docutel through an offer to shareholders worth $20.2m. In an interview last week Sig Vittorio Cassoni, vice-president for group marketing, acknowledged that the 1982 merger of Olivetti's U.S. subsidiary and Docutel had been unsuccessful. "We took a company (Docutel) which was mono-market and mono-product and we changed it to multi-product. We put everything in Docutel's hands," he said.

Sig Cassoni said there had been problems of management at Docutel: "The people were not the right people." He also said that Docutel was not well suited to distribution: "They had no experience in handling dealers."

Olivetti now regards Docutel as a smaller part of its U.S. interests, given its focus on the important 1983 global alliance with American Telephone and Telegraph.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	18	64	Dubrovnik	S	24	75	Malaga	F	22	72	Salzburg	F	18	64
Akrotiri	S	23	73	Faro	F	18	64	Malta	S	22	72	Seoul	S	27	81
Algiers	–	—	—	Florence	F	19	66	Manila	S	35	95	Singapore	R	31	88
Amsterdam	C	16	61	Frankfurt	F	19	66	Miami	S	32	90	Stockholm	S	15	59
Athens	S	25	77	Funchal	F	20	68	Milan	S	21	70	Strasbourg	C	16	61
Bahrain	C	34	93	Geneva	S	17	63	Moscow	S	17	63	Sydney	F	20	68
Bangkok	R	33	91	Gibraltar	F	19	66	Munich	F	15	59	Taipei	S	31	88
Barcelona	S	17	63	Guernsey	F	12	54	Nairobi	F	24	75	Tangier	F	19	66
Beirut	C	21	70	Helsinki	S	14	57	Naples	S	20	68	Tehran	–	—	—
Belgrade	S	29	84	H. Kong	S	31	88	New Delhi	S	39	102	Tel Aviv	C	22	72
Berlin	C	17	63	Innsbruck	S	21	70	New York	S	30	86	Tenerife	–	—	—
Biarritz	F	19	66	Inverness	C	11	52	Nice	S	17	63	Tokyo	C	27	81
Blackpool	R	11	52	Istanbul	S	21	70	Oporto	C	14	57	Toronto	R	24	75
Bordeaux	C	16	61	Jersey	C	13	55	Oslo	S	16	61	Tunis	S	20	68
Brussels	F	15	59	Jo'burg	F	17	63	Paris	F	15	59	Valencia	S	20	68
Budapest	T	27	81	Las Palmas	C	20	68	Prague	F	17	63	Venice	S	21	70
B. Aires	R	19	66	Lima	C	21	70	Reykjavik	S	10	50	Vienna	S	25	77
Cairo	C	30	86	Lisbon	R	13	55	Rio de J'o	C	29	84	Warsaw	T	25	77
Cape Town	S	28	82	Locarno	S	21	70	Rome	S	20	68	Zurich	C	15	59
Caracas	R	27	81	London	F	14	57								
Casablanca	F	16	61	Los Angeles	C	26	79								
Copenhagen	F	13	55	Luxembourg	F	16	61								
Corfu	S	22	72	Madrid	F	15	59								
Dublin	R	11	52	Majorca	F	20	68								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Pressure on Fed

Continued from Page 1

term rates fell further. By lunchtime, the three month T-Bill rates was 24 basis points lower at 7.33 per cent, spurring a continuation of the recent sharp rally in the U.S. bond markets.

One Washington economist said the odds were "high for a discount rate cut in the next 10 days due to a combination of weak economic data and the Senate action to cut the deficit."

The Fed's index of industrial production sank 0.2 per cent in April after rising 0.3 per cent in March. Taken with April's weak employment data, released earlier, and the evidence that retail sales in April recovered only modestly, the industrial production figures suggest that economic growth in the second quarter has got off to a sluggish start.

The mounting problems facing U.S. industry, as the economy slows and import penetration increases are graphically underlined by yesterday's report. Declines showed in all branches of the industrial sector, with the exception of defence and space-related production which has been rising strongly. Consumer goods, materials, business equipment and intermediate products production have all been stagnating for several months.

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SECTION II – COMPANIES & CAPITAL MARKETS
FINANCIAL TIMES
Thursday May 16 1985

Daimler Benz clears last hurdle in battle for Dornier

BY PETER BRUCE IN BONN

DAIMLER Benz, the Stuttgart-based motor vehicle manufacturer, yesterday overcame the last obstacle to its bid to buy control of the Dornier Aerospace group.

Daimler said it had reached agreement with Herr Claudius Dornier, who had opposed the takeover claiming it would remove Dornier from family control and run counter to his father's (the group's founder, Claude Dornier) will. Herr Dornier had also claimed a deal struck between Daimler and other members of the family last month was invalid because he had first right of refusal to any shares sold by the family.

Yesterday, however, Daimler said Herr Dornier had agreed to maintain his holding at 20 per cent and had been promised an effective "blocking minority" in Dornier despite the fact that this usually requires a minimum stake of more than 25 per cent.

The "blocking minority" within the new Daimler subsidiary will at least allow Herr Dornier, 72, to claim that a real family interest in Dornier still exists.

After this final agreement, Daimler will take a 66 per cent stake in Dornier, which had sales last year of DM 1.5bn ($500m), the state of Baden-Württemberg will have 4 per cent, Herr Claudius Dornier 20 per cent and a brother, Herr Silvius Dornier, the remaining 10 per cent. The deal is believed to have cost Daimler some DM 400m.

It also seems probable that Herr Claudius Dornier was able to wrest promises from Daimler of financial support for a seaplane he has being trying to build, privately, since he fell victim to a Dornier family squabble in 1980 and lost the Dornier chairmanship.

Few experts give the single-engined seaplane, the Seastar, much chance in the market, but Herr Dornier was recently so strapped for cash to continue with the project that he attempted to sell his own Dornier shares to other members of the family. They turned him down.

Nevertheless, a Daimler official said yesterday that financial support for the Seastar from Daimler had "played a role" in the talks.

French bank denies heavy loss exposure

BY DAVID MARSH IN PARIS

CRÉDIT LYONNAIS, the second largest French nationalised bank, moved yesterday to play down suggestions that it faced continuing losses from its stake in the private banking group Banque Privée de Gestion Financière (BPGF).

BPGF has suffered large losses from exposure to risky property deals in previous years. It was recaptialised in 1983 with the state-owned investment bank Paribas taking over from Crédit Lyonnais as its leading shareholder with a 20 per cent stake.

A report in the satirical weekly Le Canard Enchaine this week said that Crédit Lyonnais was being called upon by the Bank of France to take responsibility for clearing up total BPGF losses. The newspaper put these at FFr 2bn ($213m).

Crédit Lyonnais said, however, in a statement yesterday that its exposure to BPFG losses would be only a "fraction" of the total figure. The share falling to Crédit Lyonnais had already been fully taken account of in provisions passed for 1983 and 1984, the bank said.

Crédit Lyonnais had a stake of 18 per cent in BPGF before the capital reorganisation took place in 1983. A majority of shares in the bank are held by foreign institutions, including J. Henry Schroder Wagg.

Textron puts unit up for sale

BY TERRY DODSWORTH IN NEW YORK

TEXTRON, the U.S. conglomerate, is aiming to sell Bridgeport Machines, its machine tool subsidiary, as part of the divestment programme initiated after its $1.38bn acquisition of the Avco aerospace group.

No price has been put on the sale, but the company said Bridgeport had revenues last year of $180m. Combined annual turnover of Textron and Avco is $6.1bn.

Technip in FFr 2bn call for fresh aid

By David Housego in Paris

TECHNIP, France's leading project engineering group, has announced that it needs a fresh capital injection of FFr 2bn ($213m) to cover losses last year and to put the group back on a sound financial footing.

The announcement was made after a board meeting to review the group's results last year. Technip declined yesterday, however, to reveal the scale of its losses in 1984 or the size of its outstanding debt.

The enormity of the fresh funds it is seeking confirms reports, however, that Technip's financial situation is far worse than was being disclosed at the beginning of the year. Government officials then anticipated operating losses of about FFr 250m after consolidated losses of FFr 224m in 1983.

A capital increase to have been subscribed by the group's main shareholders and planned for last month was postponed. At the same time an audit carried out by Arthur Andersen, the U.S. accountants, appears to have disclosed heavier losses than had been anticipated.

The losses are mainly due to provisions on export contracts in the Middle East and with developing countries, as well as losses incurred by its Creusot-Loire Entreprises civil engineering subsidiary.

In an effort to stem fears abroad amongst potential clients, the Government gave informal assurances in January that the financial future of the company would be safeguarded.

Paribas seeks FFr 960m

By Our Paris Staff

COMPAGNIE Financière de Paribas, the French state owned financial group, is raising a FFr 960m ($102m) bond issue, repayable in non-voting preference shares or certificats d'investissement, as a further means of strengthening its capital resources.

The issue, the latest in a series of innovative financing instruments to be employed on the domestic capital market, will run for 5½ years with an interest rate of 11 per cent.

Repayment will be made on maturity at the rate of 10 CIs for each bond, along with a warrant giving the right to subscribe to a further CI. The CIs will be issued by the group's banking arm, Banque Paribas.

MARYLAND CRISIS EXPOSES VULNERABILITY OF PRIVATELY INSURED THRIFTS

America fights to save its saving banks

BY WILLIAM HALL UND PAUL TAYLOR IN NEW YORK

FOR the second time in less than two months, there has been a massive run on the deposits of some of America's smaller savings banks and the authorities have been forced to take draconian steps to try and calm the nerves of thousands of anxious depositors.

On Tuesday, Mr Harry Hughes, Governor of Maryland, who had cut short a visit to the Middle East, used his emergency powers to limit individual withdrawals from more than 100 privately insured savings banks in the state to $1,000 a month. Governor Hughes said the the action was necessary to "prevent the roof falling in."

Maryland's banking crisis has been brewing for some time. The state has 57 federally insured thrifts with assets of $11.2bn and another 102 privately insured thrifts with assets of $8.9bn. Maryland's lax banking laws have enabled its privately insured savings banks to more than double in size since 1982. A reputation for paying above the odds for their funds to finance this heady growth rate has long made some observers nervous.

No one specific event in Maryland appears to have triggered the crisis unlike Ohio, where heavy losses at Home State Savings resulting from the collapse of a small Florida bond dealer, ESM Government Securities, threatened to exhaust the local insurance fund. This forced Ohio's governor to declare an extended bank holiday in March and led to a widespread restructuring of the local savings bank industry.

In Maryland, the problems have been developing for weeks. According to state officials, depositors have withdrawn $630m from privately insured savings banks over two months. About $116m was withdrawn in the first two days of this week alone as the crisis of confidence spread from a couple of Baltimore banks to envelope the whole state.

The common thread between the run on the savings banks in the two states is their reliance on private insurance funds outside the federal safety net, which guarantees individual deposits up to $100,000.

The inability of these private insurance funds to maintain depositor confidence appears to have sounded their death knell.

Mr William Isaac, the chairman of the Federal Deposit Insurance Corporation (FDIC) said last month that "there is no excuse" for retaining state systems of deposit insurance. Even before the latest problerms, federal regulators were processing a growing number of requests for federal deposit insurance. These requests have now turned into a torrent as thrifts in Massachusetts and North Carolina, which also rely heavily on private insurance schemes, have sought federal projection.

In Massachusetts 95 savings banks with $12bn in deposits are covered by a private insurance fund with about $400m in assets. Another 100 co-operative banks with deposits of $4.8bn are backed by a second private insurance fund with about $50 in reserves.

Several other New York savings banks face serious financial difficulties, which are beginning to scare away much-needed depositors. These institutions can be nursed along with the minimum of capial but cannot survive for long if depositors start to withdraw their funds.

Commercial bankers believe one explanation behind their own institutions' recent strong deposit growth has been some switching of savings away from the more high-risk thrifts.

Such a switch will seriously exacerbate the problems of the federal bank regulators since it means they will be forced to provide extra liquidity to replace the lost deposits.

The conventional wisdom in the U.S. savings bank industry is that the sector will muddle through with the help of lower interest rates, which make the funding of their fixed-rate mortgage commitments less painful. However, some industry leaders dispute this

Mr Tony Frank, a former chairman of the Federal Home Loan Bank Board of San Francisco and chairman of First Nationwide, believes that the industry's problems will not be solved without substantial government assistance: "We have been sweeping bad news under the rug for so long ... you cannot bring non-viable institutions back to life, whatever the interest rate scenario."

The twin shocks of Ohio and Maryland may be the catalyst which forces Congress and federal regulators to a similar conclusion. Aside from sweeping away private insurance schemes in the thrift industry, the latest crisis is already resulting in calls for greater supervision of the industry and reimposed restrictions on its lending activities. This would reverse the recent sweeping deregulation which has allowed them to enter new businesses.

Earlier this month, Mr Paul Volcker, chairman of the U.S. Federal Reserve Board, called on Congress to reimpose strict limitations on the powers of thrifts which would return the industry to its traditional role as a provider of residential mortgages and little else. Such a move would face certain opposition from the industry, which views the prospect of new curbs on its activities as an unwarranted attempt to return it "to the stone age."

Italcementi lifts profits by 24.8%

By Alan Friedman in Milan

ITALCEMENTI, the Italian cement company controlled by the Pesenti family's Italmobiliare holding group, has reported a 24.8 per cent rise in net profits for 1984, to L28.2bn ($13.4m).

The profit rise was achieved after a 5.1 per cent rise in turnover, which last year totalled L957bn. Italcementi was the original flagship of the late Sig Carlo Pesenti, the Catholic financier who died last September just hours before he was set to face trial in Milan on charges related to the collapse of Banco Ambrosiano, of which he was the largest single shareholder.

The Bergamo-based cement company said it achieved the profits rise despite a difficult market, which was hit by Italy's housing slump and recession. Italcementi accounts for roughly one third of cement output in Italy and is the country's largest producer.

The company is paying a 1984 dividend of L2,000 on ordinary shares, which compares with L1,800 in 1983. Holders of preferred "savings" shares will receive a L2,150 payout, up from L1,950 the year before. Italmobiliare controls 50.4 per cent of Italcementi.

Novo achieves strong first-quarter recovery

BY HILARY BARNES IN COPENHAGEN

NOVO, the Danish enzymes and insulin manufacturer, reported a strong first-quarter recovery with sales up by 19.8 per cent to DKr 1.07bn ($9.6m), pre-tax earnings rose by 20.7 per cent to DKr 262m and net earnings were ahead 13.9 per cent to DKr 180m.

Novo's net profits in 1984 declined from DKr 704m to DKr 685m as sales growth slowed to 12 per cent as a result of increasing competition in the U.S. insulin market and the loss of an important U.S. customer for industrial enzymes. Sales of enzymes last year increased by only 7 per cent.

Yesterday's statement from Novo, the first quarterly report issued by the group, warned that the first-quarter recovery could not be taken as an indication of sales and earnings developments for the full year, as both vary considerably between quarters.

The company said that part of the first-quarter increase in sales was caused by deliveries which it had expected to make in the second quarter.

First-quarter earnings per share were DKr 7.10

Better interest margin helps Commerzbank

BY JONATHAN CARR IN FRANKFURT

COMMERZBANK has become the last of the big three West German commercial banks to report higher profits in the first few months of this year, and to express cautious optimism about business prospects for the rest of 1985.

Dr Walter Seipp, chief executive, told shareholders at the annual meeting yesterday that total operating profit in January-April was markedly above the result for one third of the full result for 1984.

One reason for the improvement was that earnings from the bank's trading on its own account in foreign exchange and securities were clearly higher than a year earlier.

Moreover the interest margin (the difference between interest paid and earned) had improved a little in March-April, after falling for many months. As a result profits from the interest business in the first four months were up by just DM 1m ($307m) against the comparable result of 1984.

Shareholders were also told that Commerzbank had acquired 5 per cent of Thyssen, in order to strengthen ties with the steel group.

INTERNATIONAL BONDS

Sweden tests market with $750m floater

BY MAGGIE URRY IN LONDON

A FLOOD of new bond issues poured into the Eurodollar bond market yesterday while the New York market continued to give cause for bond prices to rise. Gains of a point were seen in places in the secondary market, though the average rise was around ½ point. Turnover was high.

The biggest deal of the day was a $750m floating rate note for Sweden, led by Credit Suisse First Boston, testing the market's reaction to recent bad economic news from the country. The interest rate on the 15-year bonds was fixed at 3/16 per cent above the six month London interbank bid rate with front end fees of 30 basis points. It was trading within those fees at around 99.76.

Swedish Export Credit (SEK) was also borrowing yesterday, through a fixed rate issue with an initial tranche of $100m. A further $400m will be available as a tap until May 1990 and the issue matures in 1992. The coupon was set at 10 per cent with issue price at 95, by lead manager Goldman Sachs.

The idea is that future tranches of the tap will be sold when attractive swap opportunities appear or if SEK has a specific financing need. By making one large issue, further sales can be arranged quickly, with no further documentation necessary, and the issue will become more liquid. Further tranches can be led by banks other than Goldman. The issue was trading well yesterday offered at a ⅜ point discount to the issue price, well inside the 1⅜ per cent commissions.

An interesting package of a zero and straight issue was launched for American Express. Both parts mature on December 12 2000. Lehman Brothers led the zero, which has a redemption value of $450m and an issue price of $18.87, of which $4.50 is payable on June 12 with the rest on December 12 1985. Fees are 91 cents, but the zero was well received and traded above issue price. The bond will be secured on the new American Express building in New York, due to be completed in a year's time, and will meanwhile be guaranteed by American Express.

The straight issue, which raises $151m, was led by Salomon Brothers. This has an 11⅞ per cent coupon and par issue price. It, too, is partly paid – 30 per cent on June 12 and the rest on December 12. Fees are 2½ per cent, and the issue traded around a 1⅞ per cent discount.

Tenneco also thought up an unusual structure for a deal led by Morgan Stanley. It has a five year life, but holders can opt for a five-year extension on the same terms. The coupon is 10⅞ per cent and issue price 100¼. The deal was rapidly increased from $125m to $150m and was trading around 99.

Southern California Edison, the electric utility, caught the early uptick in the market yesterday with a $100m issue with a seven-year life, an 11 per cent coupon and 100¼ issue price. CSFB was the lead and the deal traded just inside its 1⅞ per cent fees.

Bank of Tokyo launched a $75m 10-year deal with a 11¼ per cent coupon and 101¼ issue price, which will be swapped for floating rate funds.

Continental bond markets are closed for Ascension Day today, but were fairly active yesterday. Swiss franc foreign bond markets were busy, with prices generally gaining by around ¼ point. SBC launched a SwFr 100m 12-year issue for Ireland and indicated a 5⅞ per cent yield, which should be sufficient despite the long maturity. Crédit Suisse indicated a 3⅞ per cent yield for the SwFr 120m issue for Minebea, which comes with equity warrants. It matures after eight years.

In the European currency unit market the World Bank launched a Ecu 50m issue to be placed largely in Italy. The 10-year bonds have a 9⅞ per cent coupon and par issue price. The deal is led by Istituto Bancario San Paolo di Torino and traded close to par. Fees were set at 1⅞ per cent. Italian buyers will be exempted from the usual 50 per cent deposit requirements for buying foreign issues.

The success of SAS's Euro-Norwegian krone issue has led to an increase in its size from NKr 100m to NKr 250m. The issue price was set at 100¼ by lead manager Christiania Bank.

Banque Gutzwiller launched a NZ$25m five-year deal for Rural Banking and Finance Corporation. This has a 16¼ per cent coupon and 99⅞ issue price.

In the Samurai market, Daiwa Securities fixed the terms for Korea Electric Power's Y25bn 10-year issue. The coupon is 7.3 per cent and issue price 99½.

International bond service, Page 28

EDC to issue Euro-paper

A FULLY-FLEDGED Euro-commercial paper market will come a step closer next week with the launch of an unlimited borrowing programme by Canada's Export Development Corporation (EDC), writes Peter Montagnon in London.

In what is believed to be the first move of its kind, EDC is to start offering unlimited amounts of short term Euro-treasury notes on a daily basis in the Euromarkets.

The paper, which will not be underwritten or backed up by a bank credit, will be dealt and distributed jointly by Credit Suisse First Boston and Swiss Bank Corporation International. It is expected to appeal particularly to retail investors look- [illegible] high-quality, short-term dollar assets.

EDC's approach to the market differs from that of Norsk Hydro, the Norwegian energy and petrochemical concern which recently launched a similar borrowing. Unlike Norsk Hydro, EDC stands ready to offer paper on a daily basis, effectively guaranteeing a market.

Bankers say that the scope for this type of borrowing in Europe has increased with the convergence of interest rates in the U.S. commercial paper market and in the Euromarket, where there is also more demand for short-dated paper maturing in longer than three months.

INTL. COMPANIES and FINANCE

U.S. Quarterly Results

AMERICAN INTERNATIONAL
Insurance

First quarter	1985 $	1984 $
Revenue	1.14bn	1bn
Op. net profits	80m	108.7m
Op. net per share	1.07	1.46

COMBINED INTL.
Insurance

First quarter	1985 $	1984 $
Revenue	325.5m	312.2m
Op. net profits	33.9m	28.6m
Op. net per share	1.02	0.86

CONTINENTAL CORP.
Insurance, consumer finance

First quarter	1985 $	1984 $
Premiums	989.3m	925.4m
Op. net profit	17.3m	15.4m
Op. net share	0.31	0.28

COLONIAL PENN
Life insurance

First quarter	1985 $	1984 $
Revenue	305.5m	306.2m
Net profits	13.78m	14.14m
Net per share	0.85	0.80

EMERSON ELECTRIC
Electrical products

Second quarter	1984-5 $	1983-4 $
Revenue	1.12bn	1.05bn
Net profits	97.3m	91.2m
Net per share	1.42	1.33
Six months		
Revenue	2.2bn	1.98bn
Net profits	189.7m	171.8m
Net per share	2.77	2.51

GENSTAR
Industrial holding co., property

First quarter	1985 C$	1984 C$
Revenue	438m	381.7m
Net profits	5.3m	†3.8m
Net per share	†0.09	†0.25

†Loss

GERBER PRODUCTS
Baby foods

Fourth quarter	1984-5 $	1983-4 $
Revenue	247.9m	228.9m
Net profits	17.3m	13.5m
Net per share	0.85	0.66
Year		
Revenue	929.4m	805.4m
Net profits	56.4m	50.1m
Net per share	2.77	2.48

IMASCO
Retailing, tobacco products

Fourth quarter	1984-85 C$	1983-84 C$
Revenue	1.07bn	657m
Net profits	51.2m	39.4m
Net per share	0.47	0.41
Year		
Revenue	4.8bn	2.8bn
Net profits	234.1m	194.1m
Net per share	2.25	2.03

M/A-COM
Telecoms eqpt

Second quarter	1984-5 $	1983-4 $
Revenue	210.2m	187m
Net profits	9.9m	7.6m
Net per share	0.23	0.18
Six months		
Revenue	407.8m	355.5m
Net profits	18.7m	14.7m
Net per share	0.44	0.35

MOORE CORP.
Business forms

First quarter	1985 $	1984 $
Revenue	499.9m	499.7m
Net profits	32.2m	27.8m
Net per share	0.36	0.32

OUTBOARD MARINE
Outboard motors

Second quarter	1984-85 $	1983-84 $
Revenue	223.8m	231.7m
Net profits	4.8m	14.9m
Net per share	0.26	0.83

OVERSEAS SHIPHOLDING
Shipping

First quarter	1985 $	1984 $
Revenue	67.8m	76.8m
Net profits	9.5m	12.1m
Net per share	0.37	0.47

WENDY'S INTL.
Fast food restaurants

First quarter	1985 $	1984 $
Revenue	236.5m	205.5m
Net profits	14.5m	13m
Net per share	0.20	0.16

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for May 15.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex Credit 12⅛ 88	150	105⅝	105⅞	+0⅛	+1⅝	10.52
Austria Rep 13⅛ 92	100	110⅝	110⅞	+0⅜	+1¼	11.35
Bank Of Tokyo 12⅛ 92	100	†104¼	104¾	+0¼	+2	11.59
Bank of Tokyo 13⅛ 91	100	109¼	109⅝	+0⅜	+1¾	11.40
BP Capital 11½ 92	150	99⅞	100⅜	+0⅝	+2	11.07
Caisse Nat Tele 13¾ 91	100	110¾	111¼	+0⅜	+2¼	11.15
Canada 11½ 90	500	103¾	104¼	+0¼	+1¼	10.39
Canadian Pac 12½ 93	75	105⅛	105⅝	+0⅝	+1⅞	11.60
CBS Inc 11⅝ 92	100	100⅜	100⅞	−0⅛	+1⅞	11.22
Chevron U.S.A. 12¼ 88	500	103½	104	+0⅛	+0¾	11.08
Coca Cola 11¾ 91	100	104¾	105¼	+0¼	+1¼	10.59
Denmark Kingdom 11½ 92	100	99½	100	+0¼	+0⅝	11.54
Denmark Kingdom 13¼ 91	100	107⅜	107⅞	+0½	+2	11.46
Denmark 13⅛ 88 XW	100	107⅞	108⅜	+0½	+1	10.73
Denmark Kingdom 14 91	100	109⅝	110⅛	−0⅛	+0¾	11.84
E.E.C. 11⅛ 90	100	101¼	101¾	+0¼	+1¾	10.67
E.I.B. 11 95	100	†97⅝	98⅛	0	0	11.35
E.I.B. 13 96	200	107⅝	108⅛	+0½	+2⅛	11.68
Export Dev Corp 12 89	100	104½	105	+0⅜	+1⅝	10.57
Exxon Capital Corp 0 2004	1800	12	12½	0	+0¼	11.37
Ford Motor Cred 11⅝ 95	100	99⅜	99⅞	+0½	+1¾	11.85
IBM Credit 10⅜ [illegible]	300	99¾	100¼	+0⅛	+1¼	10.38
IBM Credit Corp 11¾ 87	200	103⅝	104⅛	+0½	+1⅜	9.78
Indust Bk Japan 12⅞ 89	100	107¼	107¾	+0¼	+2⅜	10.60
Indust Bk Japan 13⅞ 91	125	112¼	112¾	+1⅝	+2¾	10.95
Int-Am Dev Bk 12¾ 91	150	105⅝	106⅛	+0¼	+1½	11.38
Japan Air Lines 13⅜ 94	100	113⅜	113⅞	+0⅛	+2⅜	10.93
Kellogg Company 10⅞ 90	100	100¾	101¼	+0⅛	+1⅞	10.58
Kellogg Company 11¼ 92	100	102	102½	0	+0¼	10.73
L.T.C.B. 12⅞ 91	100	106⅜	106⅞	+0⅜	+2	11.34
Macy Cred Corp 11¾ 95	100	101⅜	101⅞	+0⅜	+1¼	11.44
Mellon Bank 13 87	100	104¾	105¼	+0¼	+0¾	10.37
Merrill Lynch 12¾ 89	100	104½	105	+0¼	+0⅞	11.27
Minnesota 11½ 87	100	102¾	103½	+0⅜	+1⅛	9.92
Mitsubishi Corp 13¼ 89	100	109⅞	110⅜	+0¼	+2⅛	10.14
Montagu 13¼ 91	100	105½	106	+0½	+1⅛	11.86
Morgan Guaranty 12⅜ 89	150	104⅝	105⅛	+0¼	+1⅞	10.88
Nippon Cred Bk 13⅞ 89	100	108⅝	109⅛	+0⅛	+1½	11.07
Nth America 12⅞ 91	100	105½	106	+1⅜	+1⅞	11.52
Penney J.C 12¾ 91	100	105½	106	0	+1⅝	11.40
Pru Realty secs 12⅛ 95	545	103⅞	104⅜	+0⅛	+2	11.37
Quebec Hydro 11½ 92	100	102	102½	+0⅜	+1⅞	11.02
Ralston Purina 11¾ 95	150	102	102½	+0⅜	+0¾	11.36
Ralston Purina 12¾ 89	100	105⅞	106⅜	+0⅜	+1⅛	10.88
Royal Bk Can 12¾ 92 XW	100	103½	104¼	+0½	+1⅝	11.65
Saskatchewan 10 3/4 92	100	98⅛	98⅝	+0½	+1½	11.08
Saskatchewan 11 7/8 89	100	104⅛	104⅝	+0⅛	+1¾	10.56
S.N.C.F. 12⅜ 92 XW	100	102¼	102¾	+0⅜	+1¼	11.52
Statoil 13½ 89	100	109½	110	+0½	+1⅝	10.48
S Wales Trsy 11¾ 90	150	103⅜	103⅞	+0½	+1⅞	10.76
Swed Exp Cred 12¾ 89XW	100	105	105½	+0½	+0⅝	11.11
Sweden Kingdom 10⅞ 90	200	99½	100	+0¼	0	10.94
Sweden Kingdom 11½ 89	200	102	102½	+0¼	+1½	10.81
Sweden Kingdom 11¾ 94	100	101⅞	102⅜	+0½	+1⅝	11.35
Texaco Capital 12⅞ 87	300	104¼	104¾	+0⅛	+0⅞	10.59
Texaco Capital 13½ 89	200	107	107½	+0⅜	+0⅞	11.21
Toronto Dom Bk 12½ 89	100	102⅞	103⅜	−0⅛	+1¼	11.10
Walt Disney Pro 12½ 87	150	105⅞	106⅜	+0¼	+2	9.44
Weyerhaeuser 12¼ 87	150	103⅜	103⅞	+0⅛	+1	10.40
World Bank 12¼ 94	150	105¼	105¾	+0⅝	+2¼	11.25
World Bank 12⅞ 94	200	107¾	108¼	+0⅛	+1⅞	11.41

Average price change On day +0¼ on week +1¼

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 8 94	200	102⅛	102⅞	0	+0⅜	7.61
Austria Republic 7⅝ 94	200	100⅞	101⅝	0	0	7.42
Baxter Travenol 7¾ 94	200	100⅞	101⅝	+0⅛	+0¼	7.65
Credit National 8⅛ 94	200	103½	104¼	0	+0¾	7.50
Degussa Int Fin 7½ 94	100	103⅝	104⅜	+0⅛	+0⅝	6.87
E.E.C. 8 92	200	103⅛	103⅞	+0¼	+0½	7.31
Escom 8 92	150	100¼	101	+0⅛	+0⅝	7.87
Ferrovie Dello Stato 8 91	100	102¼	103	0	−0¼	7.43
Finland Republic 7 92	200	98⅛	98⅞	+0⅛	+0⅞	7.28
Gould Int Fin 7⅜ 91	100	101⅜	102⅛	+0⅛	+0¼	7.25
Ireland 8⅛ 92	150	102⅜	103⅛	0	+0⅛	7.60
Japan Fin Corp 7⅝ 91	100	102⅝	103⅜	+0¼	+0¾	7.08
Mitsubishi Hvy 3½ 89WW	300	105⅜	106⅛	+0¼	−0⅛	1.85
Mitsubishi Hvy 3½ 89XW	300	91	91¾	0	−0¼	6.06
Mitsubishi Met 3½ 89WW	100	96¾	97¾	−0¼	−0⅞	3.78
Mitsubishi Met 3½ 89XW	100	86⅞	87⅛	+0⅜	+0½	6.56
O.K.B. 7½ 88	100	100⅛	100⅞	0	+0⅛	7.31
Pepsico O/S Fin 7¼ 94	250	102	102¾	0	+0⅞	6.87
Renown 3⅛ 90	80	99	100	0	+1⅝	3.23
Reynolds O/S Fin 7⅞ 94	125	102⅞	103⅝	+0⅛	0	6.98
Societe Cent Nucleer 8 91	100	102¼	103	0	+0⅜	7.44
Sth Africa Rep 8½ 91	200	100⅞	101⅝	−0⅜	−0⅜	8.23
Sth African Tran 7⅝ 92	100	96¾	97½	+0¼	+0⅜	8.14
World Bank 7¾ 89	100	101⅜	102⅛	0	+0¼	7.19
World Bank 8 94	200	104⅛	104⅞	+0⅜	+1	7.28

Average price change On day +0⅛ on week +0⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev Bk 6¾ 94	100	†101⅞	102	0	+0¼	5.98
Asian Dev Bank 6⅛ 95	100	†101	101½	0	+0⅜	5.97
Avon Cap Corp 5⅝ 94	130	†97⅞	98¼	0	−0⅛	5.65
Brit land Comp 6½ 89	75	†102¾	103	0	−0¼	6.19
Council of Europe 6 92	120	†101½	101¾	0	+0½	5.72
Creditanstalt 5½ 94	100	†98	98¼	0	+0¼	5.75
Deutsche Bk Fin 5⅝ 95	100	†100¼	100½	0	+0½	5.32
E.I.B. 5⅞ 94	120	†100¾	101	0	−0¼	5.75
Eurofima 5 97	100	†*99	99¼	0	0	5.10
Eurofima 5¼ 96	100	†*100	100¼	0	0	5.23
Export Dev Corp 5⅜ 92	125	†*99¾	100	0	+0¾	5.39
First Boston Inc 5¼ 94	60	†99¾	100	−1¾	−1	5.76
Gen Occidentale 4½ 94	80	†101½	101¾	0	+0½	4.29
I C Industries 5⅝ 94	125	†101½	101¾	+0½	+1¼	5.40
Ind Fund Fin 5¾ 94	40	†101	101¼	+1	+0¾	5.59
Int-Am Dev Bk 6⅛ 94	120	†100	100¼	−1½	−1¼	6.10
New Zealand Govt 5¾ 94	150	†101½	101¾	+0¼	+0⅜	5.52
N.Zealand steel 5¾ 96	70	†101¼	101½	+2¼	+2¼	5.58
Oberos Kftwk 5⅜ 95	100	†99	99¼	+1¼	+1¾	5.40
Ost Donaukraft 5⅜ 95	70	†*99	99¼	+0½	+0½	5.49
Ralston Purina 5⅜ 94	125	†*99	99¼	0	0	5.49
Santos Finance Ltd 6 94	130	†99	99¼	+0½	+0¾	6.12
Tokyo Elec Pwr 5½ 93	120	†98½	98¾	−0¾	−1	5.72
Tokyo Metropolis 5¼ 94	80	†*97½	97¾	+0½	+0¾	5.57
World Bk 5¾ 94	150	†100¼	100½	0	+0¼	5.69

Average price change On day +0⅛ on week +0¼

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria Republic 7 95	30	97⅜	97⅞	+0⅛	+0½	7.34
BP Overzee 7 92	17	100	100½	+0⅛	+0½	[illegible]
Fed Nat Mort 6⅞ 92	50	97⅝	98⅛	+0⅛	+0¼	[illegible]
World Bank 6⅝ 90	25	98¼	98¾	+0⅛	+0⅜	[illegible]
World Bank 6⅞ 94	20	95½	96	+0¼	+0⅜	[illegible]

Average price change On day +0⅛ on week +0⅜

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 12¼ 87 C$	125	†101½	102	+0¼	+1⅜	[illegible]
British Columbia 12 90 C$	125	†101⅞	102⅜	0	+0½	11.40
Can Nat Rail 12½ 95 C$	100	†104	104½	+0½	+1⅝	11.74
Chrysler Cred 12⅜ 92C$	60	†99½	100	−0⅛	+1	12.47
Denmark 11⅝ 91 C$	100	†98¼	98¾	−0¼	+1	11.97
Desjardins 12½ 90 C$	50	†100	100½	−1	+0⅝	12.40
E.I.B. 12 95 C$	75	†101½	102	+1⅝	+2¾	11.69
Giro Und Bk 10½ 93 ECU	60	105	105¾	0	+0⅝	[illegible]
World BK 10¼ 89 ECU	125	105⅜	105⅞	−0¼	0	[illegible]
World BK 10⅝ 94 ECU	75	105⅛	105⅝	−0¼	+0⅝	[illegible]
Akzo 7 90 FL	150	98⅜	98⅝	0	0	[illegible]
Eurofima 7½ 92 FL	50	99⅞	100⅛	0	+0⅝	[illegible]
Philips Lamps 7½ 90 FL	100	101	101½	+0⅛	−0⅛	[illegible]
Rank Xerox 8 90 FL	100	101⅛	101⅝	−0⅛	+0¼	[illegible]
World Bank 7½ 90 FL	150	100	100¼	−0⅛	+0⅜	[illegible]
Charbonnages 13⅞ 85 FF	400	†101	102	−0⅛	−0⅛	[illegible]
American Brands 12 95 £	40	104¼	104¾	+0⅛	+0½	[illegible]
Amer Express 11⅜ 92 £	30	101¾	102¼	+0⅛	+0¼	[illegible]
Australia Comm 11 92 £	40	97¾	98¼	0	+0⅛	[illegible]
BP Capital 10¾ 92 £	50	96¾	97¼	0	−0⅛	[illegible]
E.I.B. 11⅛ 93 £	50	97½	98	+0⅛	+0⅝	[illegible]
Inco 12¾ 93 £	50	99⅝	100⅛	0	+0½	[illegible]
Mcdonalds 10⅞ 90 £	40	96⅛	96⅝	0	+0½	[illegible]
Norsk Hydro 11⅝ 91 £	50	102½	103	0	0	[illegible]
Privatbanken 11⅞ 92 £	20	98⅜	98⅞	0	+0⅜	[illegible]
Rank Xerox 11 92 £	40	96½	97	−0⅛	−0⅛	[illegible]
Royal Trustco 11⅞ 90 £	30	98⅞	99⅜	−0⅛	+0⅛	[illegible]
Star Drug Cap 10⅞ 90 £	30	97¾	98¼	+0¼	−0⅞	[illegible]
Swed Exp Cred 11⅝ 92 £	50	99	99½	0	+0¼	[illegible]
Tsthouse Forte 11⅛ 90£	50	97⅛	97⅝	0	−0¼	[illegible]
World Bank 11¼ 95 £	100	96⅛	96⅝	+0¼	+0⅝	[illegible]
E.C.S.C. 10½ 94LF	100	103⅝	104⅝	0	+0⅞	[illegible]
Nat Lux Alum 10½ 92 LF	600	103⅞	104⅞	0	+1	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
B.B.L. Int 5 99	0⅛	100¼	100½	11/10	9⅝	9.58
BankAmerica O/S 5¼ 96	0⅛	100⅛	100⅜	28/6	8.81	8.79
Bank of Montreal 5 96	0⅛	100½	100¾	29/7	8⅞	8.79
Bankers Trust 5 2000	0	99⅞	100⅛	11/6	9.31	[illegible]
Bankers Trust 5¼ 96	0⅛	100⅛	100⅜	19/5	9.31	[illegible]
Barclays O/S Inv 5 2004	0⅛	100⅜	100⅝	4/9	10¼	10.20
B.F.C.E. 5¼ 98	0⅛	100½	100¾	13/9	10.06	[illegible]
B.N.P. 5¼ 95 (July)	0¼	100⅛	100⅜	22/7	9⅛	9.10
C.C.F. 5¼ 97	0	99⅝	99⅞	22/9	10⅝	[illegible]
Chase Man'tn 5¼ 2009	0⅛	100	100¼	5/6	[illegible]	[illegible]
Citicorp O/S 5¼ 98 Sep	0⅛	100	100¼	19/12	11.18	11.17
Credit Lyonnais 5¼ 96	0⅛	100⅝	100⅞	11/10	[illegible]	[illegible]
Dresdner Fin 5¼ 89	0	100	100¼	25/5	9⅜	9.36
Ireland 5¼ 97	0	100⅜	100⅝	26/10	9.88	[illegible]
Ireland 5¼ 99	0	100⅜	100⅝	14/8	10	[illegible]
Italy, Republic 5 94	0⅛	99⅞	100⅛	9/5	9.94	[illegible]
Lloyds Euro 5 2004	0⅛	100	100¼	18/10	9⅛	9.11
Midland Int Fin 5 99	0⅛	100½	100¾	6/9	10.44	10.37
Nat West - Perp 5 89	0⅜	100⅞	101⅛	13/5	10⅜	10.27
Queensland Coal 5¼ 96	0¼	100½	100¾	9/5	10.06	10.00
Roy Bk Scot 5¼ 2005 £	0	99¼	99½	2/5	5¼	5.28
Societe Gen 5¼ 95	0	†100⅝	100⅞	12/10	9½	9.45
Sweden Perp 5¼ 85	0¼	100¼	100½	9/7	9.44	9.40
Tokai 5¼ 89	0⅛	100⅜	100⅝	12/8	9.94	9.90
Toyo 5¼ 99	0⅛	100¼	100½	14/8	9.81	9.78

Average price change On day 0 on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1053.64	92	93	−0⅜	[illegible]
Fanuc 3¼ 98	1/84	7032.3	101½	103	−2⅞	34.28
Fujitsu 3 99	5/84	1320.9	88⅞	89⅞	−5	10.91
Kumagai Gumi 3½ 2000	3/85	600	103⅜	104⅜	−1½	−2.36
Marui 3½ 99	7/84	1162	90	91	−0⅛	8.72
Mitsubishi Elec 2⅞ 00	3/85	422	92⅝	93⅝	−1⅞	−2.27
Murata 3½ 99	2/84	2351.2	108¾	109¾	−3¼	24.36
Murata 3½ 2000	7/84	2388	106½	107½	−3½	25.15
Nippon Elec 2⅞ 2000	1/85	1285	82½	83¾	−2⅝	40.28
Nippon Oil Co 3 2000	5/85	923	94⅝	95⅝	−1¾	−1.86
Nippon Oil Co 3¼ 99	3/84	1052	85½	86½	−0⅝	10.77
Oki Elec Ind 3½ 99	10/84	805	84⅞	85⅞	−1⅜	15.76
Orient Leasing 5¼ 98	6/83	2880	97½	99	−1¼	−2.09
Sekisui House 3 99	6/84	612	94⅛	95⅛	−0¼	[illegible]
Sony Corp 2 2000	5/85	4578	89¾	90¾	−1⅞	8.77
Sumitomo Corp 2⅞ 99	5/84	593	96½	97¾	−1¾	−2.43
Taiyo Yuden 3¼ 2000	3/85	1078	96⅜	97⅞	−2	[illegible]
Takeda Riken 3⅛ 2000	10/84	7663	90¼	91¼	−2½	7.90
Tokyo Sanyo Elec 3½ 99	12/84	772	85⅛	86¼	−3⅜	3.73
Toshiba Ceramics 3 2000	4/85	1734.2	90⅞	91⅞	−2⅞	−1.40
Nippon Oil Co 2⅝ 92 SF	3/84	1052	†104	104½	−0¾	13.16
Nippon Shinpan Co 2⅝ 92 SF	8/84	881	†93½	95½	+0⅞	[illegible]
Sadsu Paper 2¼ 92 SF	4/84	677	†130	130	−0½	[illegible]
Asics 5 92 DM	12/83	520	102⅜	103⅜	−0⅛	28.94
Sum Realty 6¾ 92 DM	2/83	365	207⅜	208⅝	−3¼	3.54

* No information available-previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. = current coupon. Cn. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

NOTICE TO HOLDERS OF

KOMORI PRINTING MACHINERY CO., LTD.

(the "Company")

Bearer Warrants to subscribe up to Y7,444,500,000 for shares of common stock (the "Warrants") issued in conjunction with an issue of 8% U.S. Dollar Guaranteed Notes due 1990 and adjustment of subscription price to be made as a result of the authorization of free share distribution.

Notice is hereby given that with respect to the issuance of new shares for free distribution authorized at the meeting of the Board of Directors held on April 24, 1985, the shareholders appearing on the register of shareholders of the Company as at 3:00 p.m. on May 31 (Friday), 1985 (Tokyo time) (the record date) will be allocated two (2) new shares for each ten (10) shares owned, and as a result of such authorization of free share distribution the following adjustment of the subscription price for the Warrants shall be made pursuant to Condition 7 of the Terms and Conditions of the Warrants:

1. Subscription price before adjustment: Yen 2,456 per share.
2. Subscription price after adjustment: Yen 2,046.70 per share.
3. Effective Date of the adjustment (Tokyo time): June 1, 1985.

KOMORI PRINTING MACHINERY CO., LTD.
By The Bank of Tokyo Trust Company
as Disbursement Agent

Dated. May 16, 1985

Ireland

£50,000,000
Floating Rate Notes 1993

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three months period 14th May, 1985 to 14th August, 1985 has been fixed at 12 13/16 per cent per annum. Coupon No. 7 will therefore be payable at £815.24 per coupon from 14th August, 1985

S.G. Warburg & Co. Ltd.
Agent Bank

NOTICE OF REDEMPTION
To the Holders of

Federated Department Stores International Company

4½% Guaranteed Sinking Fund Debentures
Due December 15, 1985

(Convertible into Common Stock of Federated Department Stores, Inc.)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of December 15, 1965 among Federated Department Stores International Company, Federated Department Stores, Inc., as Guarantor and Morgan Guaranty Trust Company of New York, as Trustee, under which the above-referenced Debentures (the "Debentures") were issued, that all of the Debentures will be redeemed on June 12, 1985 at a price of 100% of the principal amount thereof plus accrued interest thereon to such redemption date. Payment of the Debentures will be made upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the **Corporate Trust Office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N.Y. 10015** or (b), subject to any laws or regulations applicable thereto in the country of any such office, at the offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt, London or Paris or at the office of Banque Internationale a Luxembourg in Luxembourg. Debentures surrendered for redemption should have attached all coupons maturing after December 15, 1984. Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City or by transfer to a dollar account maintained by the payee with a bank in New York City.

Any such payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding of 20% of the gross proceeds if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8 in the case of non-U.S. persons or an executed IRS Form W-9 in the case of U.S. persons.

From and after June 12, 1985 interest shall cease to accrue on the Debentures and the right to convert said Debentures into Common Stock of Federated Department Stores, Inc. will terminate at the close of business on May 28, 1985.

The holder has the right to convert the Debentures called for redemption into Common Stock of Federated Department Stores, Inc. upon surrender of said Debentures with all unmatured coupons appertaining thereto, together with a conversion notice fully executed, at any of the offices of the Paying Agents specified above before the close of business on May 28, 1985. Debentures so surrendered for conversion will not be entitled to accrued interest and must have attached the June 15, 1985 coupon and all coupons maturing thereafter.

The Debentures are presently convertible into Common Stock of Federated Department Stores, Inc. at a price of $41 per share.

FEDERATED DEPARTMENT STORES, INC.
Successor by merger to
FEDERATED DEPARTMENT STORES INTERNATIONAL COMPANY

May 9, 1985

Under the Interest and Dividend Tax Compliance Act of 1983, we may be required to withhold 20% of any gross payments made within the United States to certain holders who fail to provide us with, and certify under penalties of perjury, a correct taxpayer identifying number (employer identification number or social security number, as appropriate) or an exemption certificate on or before the date the securities are presented for payment. Those holders who are required to provide their correct taxpayer identification number on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of $50. Please therefore provide the appropriate certification when presenting your securities for payment.

INTERNATIONAL COMPANIES and FINANCE

Pioneer plunges into red at six months

BY YOKO SHIBATA IN TOKYO

PIONEER, the Japanese electronics group, plunged to a consolidated net loss of Y390m ($1.56m) in the first half-year to March, from net profits of Y4.55bn in the same period of the previous year. The setback was attributed to sluggish sales of audio equipment, higher tax and losses at overseas subsidiaries.

Half-year turnover advanced from Y161.36bn to Y166.38bn, a rise of 3.1 per cent. Net losses per ADR share came out at Y6, compared with net profit of Y70 in the previous year.

Other factors blamed for the poor performance were the delayed introduction of compact disc players and failure to achieve the sales target for laser video discs—partly because of the withdrawal of RCA from the joint video disc venture.

The consolidated results reflected parent company taxable profits of Y2.33bn (down 67 per cent) and net profits of Y0.39bn (down by 85.4 per cent) on turnover of Y126.71bn (up 7.8 per cent).

Consolidated sales of audio equipment fell by 20 per cent to Y61bn. Video products sales rose by 27.8 per cent to account for 19.5 per cent of turnover, thanks to multiplied available disc titles. The company plans to expand production of discs to 1m a month.

Sales of car electronics products advanced by 8.7 per cent to account for 35.8 per cent of the total, helped by buoyant overseas sales and favourable results from the introduction of in-car compact disc players in the Japanese market in October. Pioneer plans to introduce in-car compact disc players in the U.S. and European markets in the current half year.

Overseas sales fell by 2.5 per cent to account for 59.4 per cent of turnover.

In the current half year ending September, Pioneer will try to arrest losses in the audio sector by introducing low-priced compact disc players with targeted monthly sales of 50,000 units.

Parent company pre-tax full-year profits are projected at Y7.5bn compared with the previous year's pre-tax profits of Y14.7bn. Net profits are projected at Y3.5bn (Y7.13bn), on projected turnover of Y260bn, up by 10 per cent.

BHP to make start on Jabiru field

BY MICHAEL THOMPSON-NOEL IN SYDNEY

BHP PETROLEUM, the biggest profit-spinning arm of Australia's Broken Hill Proprietary, is to press ahead with development of its Jabiru 1A oil field in the Timor Sea, off northern Australia.

The start-up date is mid-July next year, at an estimated cost of A$60m (US$ 41.4m), with an expected production rate of up to 13,000 barrels of oil per day.

The original Jabiru strike prompted hopes of a 200m-plus oilfield, but euphoria evaporated when further appraisal tests were made. Proven reserves are thought to be about 22m barrels, with a further 18m possible.

BHP's share in Jabiru is 50 per cent. Its partners include Citco Australia Petroleum (18.75 per cent), Norcen International (12.5 per cent), Weeks Australia (10.3 per cent) and Ampol Exploration (6.25 per cent).

Jabiru will be the first new oil project to be affected by the Government's resource rent tax legislation, though it is not clear what tax rate will apply.

In the Senate in Canberra yesterday, the Government's proposed offshore cash bidding legislation was defeated, following strong opposition by oil companies and by the Australian Petroleum Exploration Association (APEA).

Cash auctions for exploration permits would have applied to the most promising offshore areas—initially five sections of the Timor Sea.

Senator Gareth Evans, the Resources and Energy Minister, said the Government would be forced to examine alternative methods of raising its oil take.

However, APEA said yesterday there was now real doubt that offshore wildcat activity this year would be as brisk as expected—24 wells had been forecast. APEA says that to maintain oil self-sufficiency Australia needs to discover 200m barrels a year to make up for declining production from existing fields.

Hindustan Lever to invest Rs 2.5bn

BY R. C. MURTHY IN BOMBAY

HINDUSTAN LEVER, India's third largest company in terms of sales, plans to invest Rs2.5bn ($198m) in modernisation and diversification on over the next three years. Its Rs1bn plant to manufacture the fertiliser di-ammonium phosphate at Haldia, in West Bengal state, is to be commissioned next month.

The company, a Unilever subsidiary, has also applied for an industrial licence to establish a Rs1bn plant to produce linear alkyl benzene, a raw material for detergents, at Vizag on the east coast. Nearly Rs300m in foreign currency financing is required for the project. Hindustan Lever is exploring the possibility of establishing a palm plantation.

The company has overcome the effects of a transfer of its business in edible fats, dairy products and animal foods to the Calcutta-based Liptons

Sales grew to Rs6.17bn in 1984 from the previous Rs5.01bn. Pre-tax profits were Rs440.1m against Rs422.2m, while at the net level earnings emerged at Rs216.8m, compared with Rs185.6m. The dividend was raised to 24 per cent from 22.5 per cent in 1983.

The driving force behind the company's sales growth last year was processed triglycerides, soaps and detergents where production rose 26.86 per cent to Rs4.94bn. A reorganisation of Unilever interests in India was undertaken last year, keeping in view the growth potential for low-technology business at Liptons, an Indian company with a 40 per cent foreign shareholding. Hindustan Lever, with a 51 per cent foreign stake, can expand only in high technology areas and industries which the Government considers essential

Exports rose to Rs740m from Rs700m in 1983 as new markets were found for Indian detergents in Libya and Algeria.

● Sales of Tata Tea, a major tea plantation company, rose 47.65 per cent to Rs 1.64bn in the year to December from Rs 1.11bn the previous year. Profits before tax more than doubled to Rs 497.7m from Rs 235.5m.

Tata Tea paid two-thirds of these profits (Rs 324.5m) in income tax, the highest paid by an Indian private sector company.

After-tax profits were Rs 173.2m against Rs 98m. The dividend was raised from 35 per cent to 50 per cent. Mr Darbari Seth, the chairman, says the operating results are "unprecedented."

ACI International ahead

BY OUR FINANCIAL STAFF

ACI INTERNATIONAL, the Australian glass and packaging group, showed a cautious advance in attributable net profits to A$48.69m (US$32.9m) in the year to March, up from A$46.03m but held back by charges associated with a large-scale rationalisation plan.

Stripped of extraordinary losses related to the reshape, the net earnings result was 42.3 per cent ahead at A$68.64m against A$48.24m, on sales 7.9 per cent up at A$2.31bn compared with A$2.14bn.

The company said yesterday the benefits of its reorganisation were already showing through and would provide a stronger base for expansion.

The performance improved markedly in the second half, it added, particularly in ACI's domestic operations. New Zealand earnings—largely through Alex Harvey Industries, currently under offer from Carter Holt—also rose strongly.

ACI's coal business, although operating profitably, was affected by higher interest charges and exchange losses.

Sanwa buys Sydney bank

BY OUR FINANCIAL STAFF

SANWA BANK, one of Japan's leading commercial or city banks, has taken full control of Commercial Continental, a Sydney-based merchant bank.

The takeover, believed to be the first by a Japanese institution of an Australian merchant banking group, came with the sale to Sanwa of the one-third stakes each held by National Australia Bank and Continental Illinois National Bank and Trust.

Sanwa officials said yesterday the total price paid was some Y2.4bn ($9.6m). It intends that Commercial Continental will offer a range of financial services including a foreign exchange dealing facility.

National Australia said the sale was a further step to rationalise its merchant banking activities, following the acquisition last year of Chase Manhattan's half share in Chase-NBA, now wholly owned as First National.

Metal Box South Africa declines on higher turnover

BY JIM JONES IN JOHANNESBURG

METAL BOX South Africa, the packaging company in which Metal Box UK has a 25 per cent interest, boosted turnover in the first-half ended March 31 by 11.2 per cent to R369m ($188m) from R332m.

Increased competition and narrower margins led to a lesser rate of increase in operating profit before interest and tax. First-half operating profit rose by 2.2 per cent to R33.8m from R33.1m. Significantly higher finance charges led to a fall in pre-tax profit to R17.2m from R23.8m.

Turnover totalled R665.5m in the financial year ended September 30 1984, operating profit was R57.1m and the pre-tax profit was R48.3m. The directors say that food can sales volumes were reduced because of smaller peach and appricot crops in the Cape. Trading margins of the liquid packaging and packaging divisions came under particular pressure, the directors said. While results of the flexible packaging subsidiary were satisfactory. The new glass container division exceeded expected sales volumes and operating efficiencies. A second glass furnace is to be commissioned before the end of June this year.

This year's earnings are expected by the directors to be in line with those of last year, though this comes with the caveat that trading conditions should not deteriorate further. First-half earnings fell to 24.9 cents a share from 28.7 cents and an unchanged 10 cents interim dividend has been declared. Last year earnings totalled 50.5 cents a share, and total dividend was 22 cents.

Nampak, the packaging offshoot of the Barlow Rand industrial and mining group, which has a 54 per cent interest in Metal Box South Africa, increased first-half turnover by 17 per cent to R715.7m from R611.5m.

Operating profit dropped to R76.1m from R81.7m and pre-tax profit was R60.7m against R73.6m.

Nampak's turnover was R1.31bn in the financial year ended September 30, 1984. Operating profit was R169m and pre-tax profit was R139.2m.

An unchanged interim dividend of 32 cents has been declared though first-half earnings dropped to 71 cents a share from 85 cents. Last year earnings were 175 cents, and total dividend was 70 cents.

Rejection of Raleigh bid for CSM advised

BY WONG SULONG IN KUALA LUMPUR

SHAREHOLDERS of Cold Storage Malaysia, the food manufacturing and supermarket group, have been advised to reject the takeover offer by Raleigh Berhad, the property, manufacturing and engineering company.

The recommendation came from Pertanian Baring Sanwa, the merchant bank appointed by the CSM board to advise on the bid. The bank said that in its opinion, "The value of the offer is not sufficiently high to justify Raleigh obtaining control of a substantial listed company such as CSM."

Last month Raleigh announced a takeover bid for CSM by offering two of its shares for each of the 47m CSM shares, valuing CSM at 110m ringgits ($44m).

The deal is generally seen as part of a continuing exercise by Mr Daim Zainuddin, the Malaysian Finance Minister, to rationalise his extensive business interests following his appointment to the Government

One of Mr Daim's companies controls Raleigh, and the minister also has an indirect 29 per cent stake in CSM. The other major shareholders in CSM are the UK-based Cold Storage group (42 per cent) and the Malaysian government FIMA group (10 per cent).

Pertanian Baring Sanwa said that in terms of market value, dividend yield and net asset per share, the Raleigh offer was not attractive enough.

It added that even "if during the offer period, the CSM share price falls and/or the Raleigh share price rises to a point where the offer is worth more than the CSM share price (as is the case at the moment, where CSM is trading at 4.36 ringgit and Raleigh at 2.21 ringgit), we would still be of the view that there would not necessarily be an overwhelming case for accepting the offer."

For the year ended January 1985, CSM made a pre-tax profit of 9.5m ringgit, while Raleigh made a pre-tax profit of 9.4m ringgit.

INTL. COMPANIES & FINANCE

Chris Sherwell looks at one effect of decline in Philippines tourism

Long-stay troubles at Manila hotels

IN THE SPACE of a few months, Manila's troubled hotel industry has undergone a major upheaval, with five out of 14 luxury hotels changing hands and a sixth irreparably burned out. At least two others were *dogged by internal wrangles* between owners and operators.

The changes coincide with a serious downturn in already-weak profitability. In 1983 two of the Philippines capital's 16 top-class hotels stopped operating, and another 10 reported losses. Last year is reckoned to have been worse, with occupancy rates dipping to an average 55 per cent, the lowest level in years.

Behind the decline is the slump in tourism brought on by the political troubles which followed the assassination of Benigno Aquino, the opposition leader, in August 1983. Having topped the 1m mark in 1980, the number of tourists visiting the Philippines declined to 817,000 in 1984.

The economic crisis which accompanied the turmoil made things worse. The plunge in the peso (from 11 to the U.S. dollar in mid-1983 to 20) raised costs, and it became tricky to import luxury goods. High interest rates and inflation have taken a further toll, even though the peso has since strengthened to 18.5.

But the main cause of the shake-up overtaking Manila's hotel business is the country's International Monetary Fund-backed economic restructuring programme—in particular the Fund has demanded that the Government-owned Development Bank of the Philippines (DBP) sell off many of its loss-making assets.

DBP was described by the World Bank last year as the "*government financial institution most seriously affected by structural and portfolio problems.*" It has been the country's major source of long-term finance. In 1975 it lent 1.2bn pesos out of a government total of 2bn pesos poured into the construction of *13 hotels*—ironically, a programme ordered by the government of President Ferdinand Marcos in anticipation of the IMF-World Bank meeting held in Manila in 1976.

In 1981, when a previous financial crisis hit the Philippines—in the repercussions of the so-called "Dewey Dee affair"—DBP was forced to convert many loans into equity. In the process it acquired majority stakes in hotels across the country, including several of Manila's best—Peninsula, Mandarin, Manila Garden, Silahis International, Century Park Sheraton, Mirador and Tradewinds.

By last year more than two-thirds of DBP's total portfolio consisted of non-performing assets, and the banks needed budgetary support from the government at a time when it *could least be afforded*. The recent hotel sales have been designed to reduce the burden.

The remarkable feature of the sell-offs is that they are at bargain basement prices, and in some cases back to their original owners. Some also involve international airlines, many of which have been unable to repatriate the pesos they have amassed since the Philippines halted debt repayments in October 1983.

The most recent deal, announced last month, involves Manila Mandarin in Makati, Manila's business district. Mandarin Oriental, a wholly-owned subsidiary of Hong Kong Land and part of the Jardine group, will end up paying just $2.9m for a 54 per cent stake in a 474-room hotel which opened only ten years ago.

The company's previous stake was 30 per cent, raised last year from an earlier 12 per cent. At one point in 1984, it looked as though interests representing the wealthy sultan of oil-rich Brunei would succeed in purchasing DBP's controlling stake, but this fell through.

Under the eventual deal, Mandarin Oriental agreed to pay $7.3m to increase its share to 91 per cent. It then sold 37 per cent to other interests for $4.4m, leaving it with 54 per cent. At the same time, it revealed that it had extended the Mandarin management contract another 15 years beyond 1990.

Other major sales by DBP recently include:

- *Peninsula Hotel* — Makati, to Patricid Lim, a local Filipino-Chinese entrepreneur, and minority Hong Kong interests including Swire Pacific, owners of C athay Pacific Airlines, Hongkong Shanghai Hotels, which operates the Peninsula chain, and the Kadoorie family. Mr Lim is one of the Peninsula's original owners.
- Manila Garden Hotel, also in Makati, to Japan Air Lines, which increased its stake from around 10 per cent to just under 74 *per cent for* a reported figure of 141m pesos. Other Japanese interests, said to include Mitsui Bank and Bank of Tokyo, took another 18 per cent, while the remaining Philippines interests include the Ayala Corporation and Far East Bank.
- The 500-room Century Park Sheraton, to Lucio Tan, a local Filipino-Chinese banker and brewery magnate, for an unknown sum. The original owners, the Martel family, were unable to buy the hotel back. The hotel will continue to be operated by ANA Hotels, a subsidiary of All-Nippon Airways of Japan, which has a franchise arrangement with the U.S. Sheraton group for marketing purposes.
- The 600-room Silahis International, which sports the local Playboy Club, to its original owners, the Enriquez family. The sum involved is said to be 120m pesos for a stake raised to 72 per cent. Of the total amount, half is allowed to be paid over three years. Part of this deal, as with others like the Peninsula, includes repayments on some of thet hotel's debt.

All of this still leaves the government heavily involved directly or indirectly, with the luxury hotel business. Mr Roberto Benedicto, an associate of President Marcos, owns Holiday Inn. The Government Service Insurance System (GSIS) controls Manila hotel, Philippines Plaza and Hyatt, State-owned Philippine National Bank (PNB) owns the Regent. 3.4bn pesos.

GSIS and PNB extended 800m pesos in loans for these hotels in 1975. Taken with DBP's loans, further credits when hotels failed to meet their obligations and the banks' original equity participation, the total hotel exposure of these government banks had increased by last year to a huge

To add to the sense of fragility, both the Hyatt and Hilton have since become involved in complex internal *disputes* between the local owners and the respective U.S. operators. In the case of the Hilton, where the Delgado family has filed suit against Hilton International, the matter is before the courts.

Where the industry goes from here is anybody's guess. The immediate outlook is gloomy, for the tourist business is getting tougher. Manila's reputation as a "*sin city*" *is growing* with the economic decln, and tourism has been hit by an apparent rash of killer fires in recent months.

In such circumstances, the central Manila hotels, catering directly for tourists, seem likely to face greater hardship than the business-oriented hotels in Makati. Makati Intercontinental, for example, part of the Ayala group, remains one of the most profitable hotels in the capital, and some groups are even looking ahead to better times in the 1990s. For now, however, it seems safer to stay out of a troubled business.

The Philippine Plaza Hotel, controlled by the Government Service Insurance System

TECHNOLOGY

EDITED BY ALAN CANE

Blast-off for Star Wars research programme

Peter Marsh reports on the first contracts to be awarded by the U.S. Department of Defense

THE U.S. Department of Defense has awarded the first three research contracts in advanced technology in its $26bn Star Wars programme to build a space-based system to defeat nuclear missiles.

In the three programmes, groups of universities and companies will study novel composite materials, advanced computing techniques and new ways to generate and store power in space.

According to the engineers working on the projects, the research will be aimed at basic technologies that could have useful benefits in commercial areas, for example the car and factory-automated industries.

But Dr James Ionson, director of the innovative science and technology office of the Pentagon's Strategic Defence Initiative Organisation, says that the work will have to be "mission oriented" and aimed above all at producing technologies for an operational Star Wars system in the 1990s.

Dr Ionson expects to have at his disposal 5 per cent of the $26bn due to be spent on Star Wars research until 1990. Assuming that Congress ratifies the DoD's requests for funds, for the financial year beginning this October his division will have a budget of $187m.

The other five divisions of the DoD's Star Wars organisation deal with the development of beam weapons such as lasers; kinetic-energy systems that use conventional missiles to disable nuclear projectiles; surveillance of incoming missiles and data processing; "supporting technologies" such as studies of the lethality of beam weapons; and, finally, details of how all these aspects could be knitted together to provide a working system.

The job of Dr Ionson, a 34-year-old physicist who previously worked for Nasa, is to promote the development of new technologies that could support the other divisions. He has provisionally earmarked a third of his budget to pay for research work in other countries.

West European nations and other U.S. military allies are deciding how to respond to the DoD's invitation to take part in Star Wars research. France has already declined, on the grounds that participation could divert talent from commercial projects.

The three advanced-technology projects that the SDI Organisation has approved are:

● *New materials.* A consortium of academic institutes and eight private companies has been given $15m over three years to examine metal-ceramic compounds that could form key components in large space structures. The substances have to be light yet strong to reduce the mass that must be lifted into orbit.

Companies involved include SRI International, United Technologies, Martin Marietta and Mibre Materials. The Massachusetts Institute of Technology (MIT), Johns Hopkins University and Texas A and M University are among the participants from academic organisations.

Among the substances to be investigated are ceramic matrices in which carbon fibres or other compounds are inserted in the interstices of a framework of metal, for example aluminium or magnesium alloys. Such materials are light, tough, strong and resist high temperatures of up to some 2,000 deg C.

They could form parts of big space structures that may act as the base for laser weapons. The car industry is also looking at uses for the materials, which are as light as aluminium but as tough as steel. For instance, Toyota and Honda in Japan are introducing the substances in components such as pistons and connecting rods.

Other applications for the materials could be in the booms of cranes, in vehicle suspension and wear-resistant components in, for instance, farming equipment.

By experimenting with different combinations of ceramic materials within the metal matrix, researchers should be able to come up with substances that have a zero coefficient of expansion.

This would be highly important in space structures which, by being alternately heated by the Sun and then cooled, are subjected to a wide range of temperatures. Stresses caused by rapid cycles of expansion and contraction could interfere with the use of the structure as a stable base for lasers that would have to be pointed highly accurately.

Dr James Cornie, director of the metal and ceramics matrix processing centre at MIT, says: "The SDI research with which I will be involved is work that is required for commercial applications. I'm glad to receive money from any source." He says details of his research will be unclassified and available to commercial organisations.

● **Advanced computing.** A second U.S. consortium will spend $9m over three years on research into novel computing techniques, include applications of expert systems (computers that can "reason" like humans), parallel-processing hardware in which machines work on perhaps hundreds of different computational steps at once and optical computing.

In the latter, speeds of computers could be increased enormously by application of beams of photons that carry signals between components, in place of electrons that travel more slowly.

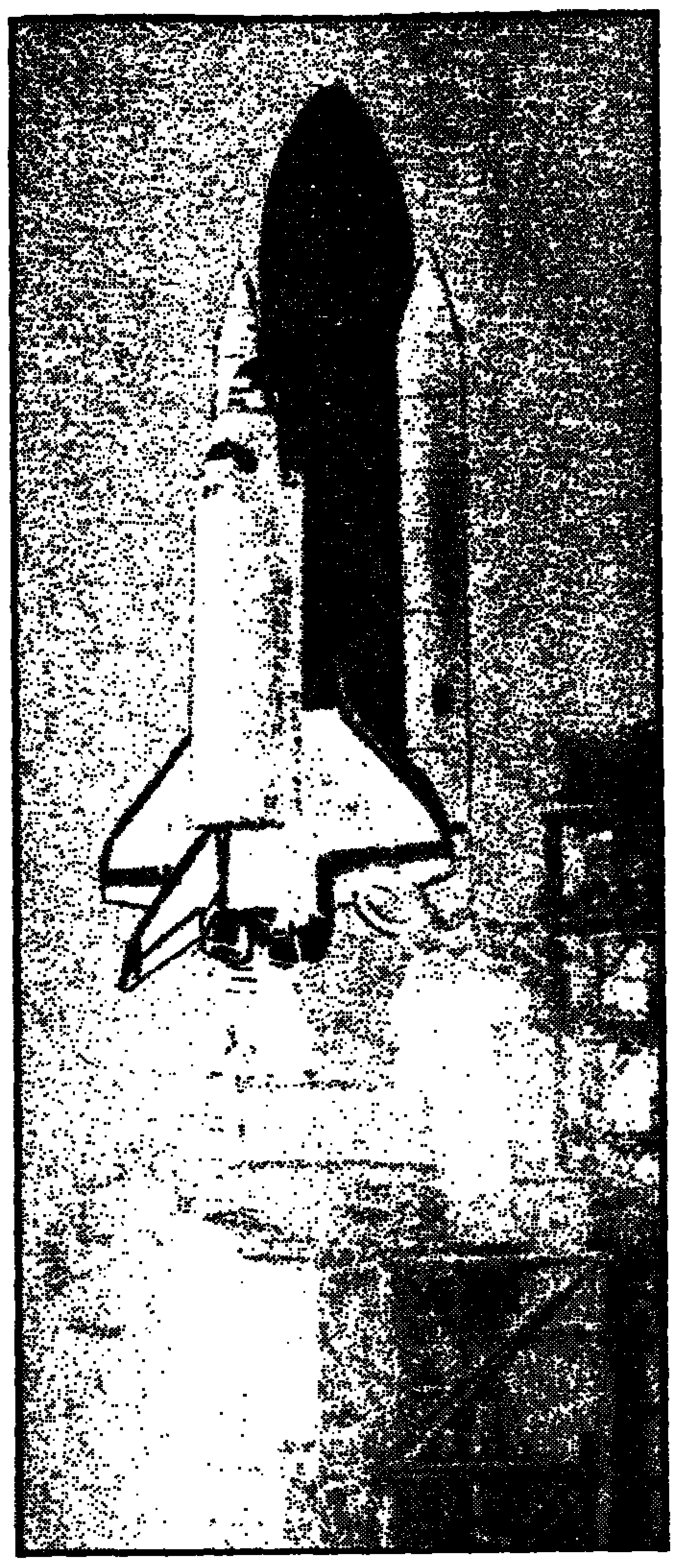
The consortium, which is headed by the University of Alabama at Huntsville, includes California Institute of Technology, Carnegie-Mellon University in Pittsburgh, Georgia Institute of Technology and the U.S. Naval Ocean Systems Centre in San Diego.

A strategic defence system would require new, ultrafast computers to cope with the huge streams of information generated by, for instance, equipment that is tracking enemy missiles. The hardware would be required on the basis of this data to send information very quickly to beam weapons that would attempt to destroy the projectiles.

Mr James Johannes of the University of Alabama's computer science department says some of the work would be classified. But parts of the research that deal with basic technology could have applications in areas such as weather analysis and fault diagnosis in industrial equipment.

● **Power equipment.** Auburn University in Alabama, the University of Texas at Arlington and two companies, Pennwalt and Maxwell Laboratories (both in California), are included in a consortium that will spend $19m over four years

The group will examine generation and storage of the hundreds, if not thousands of kilowatts of power needed for Star Wars weapons systems. The technologies under study will include solar-energy conversion techniques and novel types of capacitors and fuel cells needed to store electricity.



Lift-off for the shuttle: key space vehicle for experiments in the $26bn Star Wars programme.

Spin-offs from space architecture

AN energy-conservation device developed by U.S. space engineers is about to enter service in the factories of a big consumer-products company that turns out anything from face cream to hospital equipment.

Chesebrough-Pond's, based in Connecticut, obtained a licence in 1979 to develop a voltage-regulating mechanism for electric motors that evolved from work at the Marshall Space Flight Center of the National Aeronautics and Space Administration.

The company this year plans to install 200 of the devices in its factories across the U.S. The mechanisms, which cost between $5,800 and $8,000 and which are to be sold to other customers via a further licence deal with Siemens Allis of New Orleans, reduce wear on motors and cut energy bills by up to 12 per cent.

The story may be thought of as a classic illustration of how technology from the American space programme has infiltrated into other areas of the economy, to the benefit of U.S. industry.

In other spin-offs from the space programme:

● Rockwell, the Californian aerospace company that was the main contractor on the $11bn space-shuttle development, adapted to automatic knitting machines computer-control techniques devised for the shuttle's flight deck.

● Rocket Research, based near Seattle, is trying to interest the chemical industry in catalysts the company has developed as vital components in rocket engines.

● Doctors at the Cedars-Sinai Medical Center in Los Angeles are applying an excimer laser invented to analyse the Earth's atmosphere from spacecraft to the job of cleaning out hardened arteries.

Of greater importance is the way that the U.S. Government's space programmes — which, counting both Nasa and Department of Defense (DoD) spending, consume some $20bn a year —give a boost to broad technological thrusts, in microelectronics and materials for example.

People in the aerospace industry expect that this pattern of events will continue as a result of two major space projects now under way. Assuming Congress approves the funds, Nasa will spend $8bn over a decade to build a civilian space station, while the DoD has earmarked $26bn over five years for its Star Wars research programme to develop a watertight defence against Soviet missiles.

"Any major research and development programme that requires a focusing of resources is bound to accelerate the development of technology in certain areas," says Mr Bob Thompson, vice-president for space-station work at McDonnell Douglas.

Besides collaborating with Nasa on a two-year study to devise a blueprint for the space station, McDonnell Douglas is one of 10 companies handed $1m contracts by the DoD to design engineering concepts for a missile-defence system.

Mr Thompson says that other divisions of McDonnell Douglas that sell factory automation systems and computer-aided design may benefit from work in robots and artificial intelligence developed during the space-station studies.

These technical areas could be stimulated by Nasa's desire that as many as possible of the routine operations on board the space station will be controlled by computers rather than people.

Work in computers, new materials, propulsion and the generation of electricity by solar energy will play a part in both the Nasa and Pentagon programmes. "There's no question that there is a link in technologies between the space station and the architecture for SDI," says Mr Bob Mitchell, vice-president of space programmes at Teledyne/Brown, an aerospace company based in Huntsville, Alabama.

Racal goes public with databases

SEMI-CUSTOM design of silicon chips, at present usually confined to specialist engineers within the semiconductor companies themselves, can be performed by system companies following a decision by Racal Microelectronic Systems of Reading, England, to make its design databases available to customers.

Integrated packages of design software that will run on Apollo and DEC VAX/MicroVAX machines allow rapid development of new chip designs right through to the layout stage.

From an initial functional description the in-house designer can build a chip design using a suite of Silver Lisco design software and and Racal cell libraries. Then, using simulation routines, the operational characteristics of the design can be confirmed without physical construction of the circuits.

The resulting files are sent to Racal for layout, with post-layout simulation to check the effects of interconnection and mask pattern generation.

Quick dip

CONTAX, THE electronics production specialist of Southampton, England, has developed software called Dipmaster which it claims can make time savings of 50 per cent or more when programming machines that automatically insert dual-in-line semiconductor devices into printed circuit boards.

Input of layout data can be manual or can be downloaded from any of the major computer-aided design (CAD) systems to give fully automatic program generation.

The input data are processed to generate an insertion program that takes into account every factor affecting physical insertion including speeds, table size, loading techniques and other factors.

More on 0703 434141.

GrandMet's U.S. price war set to continue

BY FRANK KANE

THE PRICE war in generic and private label cigarettes in the U.S.—the main reason for the 10 per cent decline in Grand Metropolitan's interim pre-tax profits announced yesterday—is set to continue for the rest of 1985.

Mr Stanley Grinstead, the chairman, said yesterday that after stripping out the £50m the group made from cigarettes last year it would be "stretching to approach" that result of £334.3m in the current year.

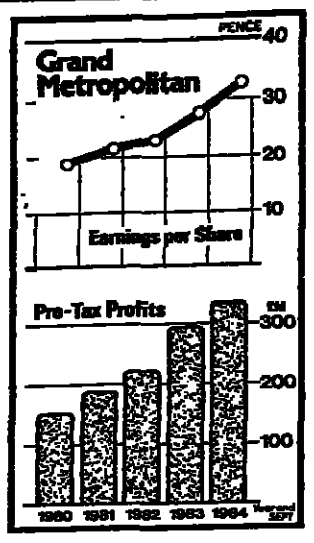
The figures for the half-year to March 31 1985 show a fall in pre-tax profits from £147m to £131.9m, largely due to a trading shortfall of over £21m from the group's U.S. consumer products division, which takes in the cigarette operation.

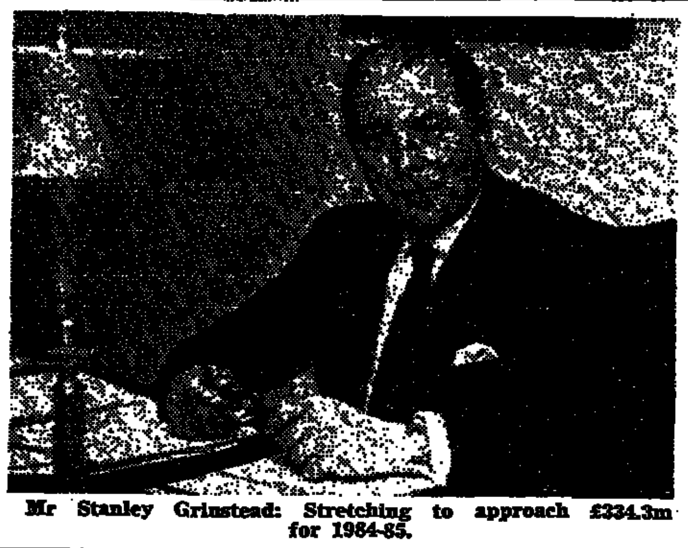
Mr Stanley Grinstead, GrandMet's chairman, told the annual meeting last March that there would be a "significant downturn" in profits in the first half as a result of lower margins on the group's Liggett & Meyers cigarette brand. This was due to price competition with a rival.

He now says that there was no contribution to trading profits from the cigarette activities, and that the discounts introduced by a competitor almost a year ago in the form of promotional price incentives have recently been extended for a further six months to the end of the year.

Commenting on the performance of the L & M offshoot, Mr Grinstead said that the operation had broken even in the half-year.

Mr Grinstead confirmed that GrandMet is ultimately looking to dispose of L & M, but that "given the situation, people are not queuing up to buy it." The group planned to wait for a return to normality before contemplating the details of a sale.





Mr Stanley Grinstead: Stretching to approach £334.3m for 1984-85.

The chairman said that the midway performance was a little better than had been expected, and that this helped to explain the markets' reaction to the announcement of the figures. The shares closed 12p higher last night at 320p.

Hhe found some consoliation from the UK breweing activities, despite a relatively static performance which saw trading profits little changed at £30.3m. GrandMet had held its volume share in an overall declining market. Turnover of this division fell from £317.6m to £302.1m.

Brewing would have reported "significantly higher trading profits" but for disappointing results in a difficult German market.

UK consumer services also reported a fall at the trading level from £32m to £28.3m. The chairman said that the division achieved an improved overall performance from its retailing, leisure and contract services activities.

This helped to cushion the impact of a reduced contribution from casino operations which encountered stiffer competition in the London gaming market and also felt the effects of Budget changes in taxation. UK consumer services reported sales of £579.6m against £550.82m.

In the UK foods sector profits moved ahead from £8.7m to £11.1m on turnover up by £14.8m at £367.6m, and felt "the benefit from the action taken by management to adjust to the structural changes in the milk market, which have affected performance in recent years."

In addition to the problems in the cigarette business, the U.S. division also experienced reduced levels of demand for consumer equipment. Total divisional sales, however, advanced significantly from £571.9m to £765.7m.

The international sector turned in the best results, with a £9.5m increase in trading profits from wines and spirits to reach £68.6m on sales up from £492.4m to £551.5m. Hotels also increased profits and turnover, from £8.7m to £10.6m and from £153.4m to £183.9m respectively.

The chairman says that hotels took full advantage of strong demand for hotel accommodation in Europe, while wines and spirits achieved further growth in almost every part of the world to become much the largest single contributor to trading profits.

The interim dividend is raised from 3.7p to 4p net per share at a cost of £30.7m (£27m). There was a total payment of 9.2p last year. Earnings per share slipped from 13p to 12.6p for the half year.

Interest took rather more at £55.8m against £52.1m in the period under review, but the group's tax charge fell from £48.5m to £34.6m, to leave net profits at £97.3m (£98.5m).

After minority interests virtually unchanged at £2.4m (£2.6m) and preference dividends, there was an extraordinary credit of £26m (£10.m) as good will on the sale of the group's north of England Express Dairies interests last March. Retained profits came out at £120.7m against £106.4m.

The directors say that the benefit arising from the translation of U.S. trading profits into sterling at a lower rate of exchange was offset to some degree by the higher sterling cost of interest payable in U.S. dollars.

See Lex

London & Northern on target at £18.4m

IN LINE with the forecast last month of not less than £18m, taxable profits of London and Northern Group, construction, building products, engineering, healthcare concern, amounted to £18.35m for 1984, compared with a previous £15.51m.

And, as predicted, the final dividend is 3.05p lifting the total payment from 4.5p to 4.9p—an interim of 2.1p for the current year is expected to be declared as well as a final of at least 3.05p.

These forecasts accompanied the announcement on April 16 of a £14m rights issue to partly finance the £23m acquisition of Rockville Crushed Stone, of the U.S.

This purchase was completed on May 1 and the directors say that the group can look forward to a material contribution from Rockville.

Group turnover expanded from £226.58m to £259.93m for 1984 and profits were subject to tax of £6.61m, against £5.77m.

There was an exceptional tax charge, last time, of £1.95m, and after appropriations absorbing £4.37m (£4.02m) and extraordinary debits, £541,000 (£4.61m), the amount retained was £6m (£1.44m loss). Earnings per share are stated as 12.3p (11.8p).

● comment

London and Northern's acquisitions over the past two years have left the City somewhat bemused about its strategy. First came the purchase (by a one for two rights) of United Medical Enterprises—seen as a bold diversification into better growth sectors. Yet last month (through a one-for-four rights) came the acquisition of Rockville, a U.S. quarrying company in its traditional area of operations. UME is already showing its worth: it seems largely responsible for 1984's profits improvement, given the depressed state of the construction business. This year should bring further UME growth, while the UK building products and energy divisions could also show some improvement. There should also be a healthy eight-month contribution from Rockville, whose prime attraction for L & N seem to be that it is a reasonable buy in a major new market, and in a sector it knows well. But the City has yet to be convinced: Profits of £23m seem attainable this year, but assuming a 35 per cent tax charge, that puts the shares at 79p on a yield of 9.3 and a p/e of just under six.

CU first quarter losses lower than expected at £17.5m

Commercial Union Assurance yesterday reported a pre-tax loss of £17.5m in the first quarter of this year—far lower than the market has anticipated. There was a loss of £8.4m in the same period last year.

The shares responded with a 9p rise to 232p.

Underwriting losses in the quarter amounted to £99.9m against losses of £84.1m in the first quarter of 1984, while investment income net of loan interest increased by 8 per cent from £59.8m to £64.9m.

Investment income declined in the U.S., due to the cash outflows from the territory, including the buying of reinsurance. This was offset by increases in investment income elsewhere, particularly in the UK following the substantial switch of £100m of equities in short and medium fixed-interest investments last year. The net result was a slight drop in underlying investment income growth.

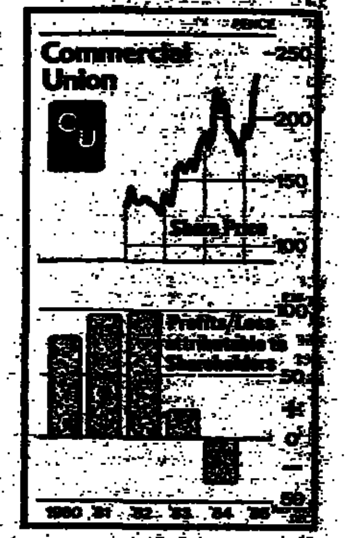
A tax charge of £4.2m against £900,000, and much lower realised investment gains compared with last year—£600,000 compared with £7.1m, resulted in attributable losses to shareholders rising from £2.2m in the first quarter last year to £21.1m this year. Shareholders' funds at the end of March stood at £1bn, against £1.05bn at the end of 1984, representing a solvency margin of 50 per cent.

Worldwide non-life premium income fell slightly in sterling terms from £544m in the first quarter of 1984 to £520m, with an underlying fall, allowing for exchange rate fluctuations, of 13 per cent. This drop arose because premium volume in the U.S. declined 28 per cent, following the actions taken to cancel unprofitable business and reduce the proportion of CU's worldwide business written in the U.S. market. Premium income fell 5 per cent in Canada, but rose 6 per cent in the UK and 9 per cent elsewhere.

Premium income in the U.S. fell by 28 per cent from US$380.9m to $274.6m, with all classes of business showing a fall in premiums. This reflects the substantial cutback in the U.S., since premium increases for commercial business averaged 25 per cent during the quarter, and personal lines 10 per cent.

The underwriting loss in sterling terms rose threefold from £10.3m to £31.7m, with some £9m of adverse weather claims being paid—higher than in 1984. The operating ratio rose from 114.8 per cent in the first quarter of 1984 to 126.1 per cent, with the claims ratio rising from 83.8 per cent to 93.3 per cent and the expense ratio from 31 per cent to 32.8 per cent.

However this rise in expense ratio reflects the fall in premium volume. The groups reorganisa-



tion programme has been cutting back on expenses and the results for ongoing business show some improvement.

The U.S. asset base has been boosted by a US$50m surplus returned from the pension scheme to the company.

Premium income in the UK rose by 5.8 per cent from £145.1m to £152m and underwriting losses fell from £30.6m in the first quarter of 1984 to £21.2m.

CU was not hit so severely by the bad weather in 1985 compared with that experienced in 1984 with claims paid for adverse weather amounting to £9m against £12m last year. The number of claims from bad weather was lower, but the average claim payment was much higher.

Underwriting losses on the personal domestic account fell from £8.2m to £6m reflecting these lower weather payments and the increased premium rates made on house contents insurance.

Private motor business experienced lower underwriting losses amounting to £1.6m (£3m). The company is experiencing higher numbers of claims in line with the rest of the industry, but is getting the benefit of its rate increase of 7½ per cent made at the beginning of this year.

Commercial fire business in the UK showed considerable improvement with a rise in premium income reflecting the recent rate increases and a substantial drop in underwriting losses with a lower more normal number of major fires during the period.

Business in Canada was poor over the period, hit by more than usually severe winter weather. Premium income dropped 5.3 per cent from C$54.1m to C$51.2m and underwriting losses rose from C$7.5m to C$9.8m.

See Lex

Peek's failure opens up a takeover can of worms

BY ALEXANDER NICOLL

SHELL company Peek Holdings' failure to secure control of Energy Services & Electronics was confirmed yesterday after a recount had boosted acceptances of its offer to 49.7 per cent from the 48.9 per cent initially reported after the bid closed on Tuesday.

The final count made the bid's outcome one of the closest ever seen in the City. It prompted a call by J. Henry Schroder Wagg, advisers to Energy Services, for defence representation at bid counts or for independent appointment of banks receiving acceptances.

It was understood that Lloyds Bank, acting as receiving bank for Peek and its adviser, Hambros Bank, discovered one extra acceptance in the recount which raised the total.

The Peek count also revealed a problem in the revised code recently published by the Takeover Panel. A practice note on Rule 31.6 states that the bidder must announce whether or not its offer is unconditional by 3.30 pm on the final day. Bids generally close at 3 pm.

This proved impracticable, and Peek made its first announcement, including news of the recount, shortly after 5 pm on Tuesday. The situation was complicated by a substantial number of late acceptances following heavy purchases of Energy Services shares by clients of L. Messel, brokers to Peek.

It was also disclosed yesterday that the Peek bid included an innovation which could prove controversial amid the radical reform of the City now taking place. Underwriting fees were payable to Hambros as underwriters of the Peek cash alternative, and to sub-underwriting institutions, only in the event that the cash offer was successful. Since it failed, no underwriting fees will be paid.

It was understood that Mr Julian Askin and Mr Hugo Biermann, who would have injected £6m into the combined company and assumed its management, will bear a substantial part of the costs of the bid, believed to be about £100,000.

Duport's furniture problems

DESPITE A turnround to a £605,000 loss in the furniture sector, Duport increased its pre-tax profits from £2.13m to £2.45m for the year ended January 31 1985, with improvements in all other divisions.

Turnover of this metal forming, plastics, computers and furniture group advanced by £7.42m to £65.55m for the 12 months.

Mr J. H. Russell, chairman, says that, with the progressive improvement expected at Grovewood and the closure of the New Garter foundry eliminating one of the group's major problem areas," we believe that we have come to the end of the major restructuring of the group."

Mr Russell says the group has now reshaped or disposed of businesses that have been unprofitable, largely due to changing market conditions, and that this should provide a significant improvement in profitability in the longer term. He adds, however, that currently poor market conditions in certain key areas are a "limiting factor and Grovewood's losses have continued into the current year."

Basic earnings per 5p share are shown as 4.24p (3.76p)—3.72p fully diluted—and a final dividend of 1p lifts the total payment to 1.33p against 1p.

A breakdown of turnover and profits shows metal forming £22.44m (£19.98m) and £304,000 (£194,000 loss) furniture £14.3m (£13.47m) and £605,000 loss (£141,000 profit) plastics £24.51m (£21.34m) and £2.43m (£2.02m); computers £4.94m (£3.92m) and £333,000 (£250,000); property £160,000 profit (£56,000). Inter-divisional sales took £646,000 (£569,000); dividends from related companies £64,000 (£95,000); net interest charged £238,000 (£242,000).

Tax charge took £364,000 (£296,000) and after extraordinary debits of £4.49m (£249,000) there were losses of £2.41m (£1.58m profits). Dividends will absorb £820,000 (£657,000).

Included in the extraordinary items was reorganisation expenditure of £3.91m for the year.

● comment

Despite a 15 per cent increase in pre-tax profits, you couldn't say that Duport has had a good year. Reduced pension contributions made pre-tax profits nearly £1m higher than they otherwise would have been, so that the group's underlying trading position actually worsened. However, that masks advances in some areas—plastics, the largest division, had another good year—and lamentable losses in others. In particular, kitchen furniture maker Grovewood made £1.25m losses above the line, while redundancies and stock write-offs contributed to the £3.9m loss taken below the line. The company is now making a major effort either to turn around or to close loss-making operations. It hopes that with new management and products Grovewood will be in the black in the second half of this year; meanwhile its decision to close the New Garter Foundry will eliminate some £350,000 of losses. Duport has come back a long way from near bankruptcy in 1980, but it has got enough unresolved problems ahead to justify its low rating. If it makes profits of £3.5m this year, assuming a 20 per cent tax rate, the shares at 33½p are on a multiple of 5¼.

UK COMPANY NEWS

California takes its lead from Michigan as Ladbroke races in

Ladbroke Group is to expand its racing interests in the United States following a decision by the Californian authorities earlier this month to allow the group to operate in that state.

If a current Bill passes through State legislature, it would allow Ladbroke to set up off-track operations as well as operate race tracks, which it already does in Michigan.

The balance sheet confirms the healthy financial state of the group. Shareholders' funds are at a new level of £330m, net assets are at a record of 187p per share, and the adjusted gearing ratio is down to 58 per cent.

Mr Cyril Stein, chairman and managing director, in his annual report underlines the value of Ladbroke's off-track betting licences. Although these are valued at an historic £73m, Ladbroke believes that government controls in the UK and Belgium on the numbers of betting licences could mean that their realisable value is as much as £200m higher.

The group has successfully contracted to purchase Cwmbran Town Centre in South Wales from the Cwmbran Development Corporation for £14.7m. The 50-acre centre, containing 150 shops, three major supermarkets, three stores, approximately 115,000 sq ft of offices and free parking for over 3,000 cars, has always been well supported by national retailers.

Now, Ladbroke City and County Land Company will carry out a £5m modernisation scheme aimed at creating a first-class shopping centre benefiting from the company's management and marketing expertise.

The purchase of Cwmbran Town Centre gives Ladbroke an initial return of 8½ per cent on its £14.7m investment, but after spending the additional £5m on upgrading and extending the centre, Mr Stein believes that rent reviews could raise the return to 10 per cent by the end of 1986.

COMPANY NEWS IN BRIEF

Mr C. D. A. Bramall, chairman and managing director of C. D. Bramall, the Bradford-based motor vehicle dealer, said in his annual statement that the first three months of the current year had started well, with profits up by almost 30 per cent. This level of increase was, however, unlikely to be continued, he added.

* * *

Yearling bonds totalling £10.25m at 12 1/16 per cent, redeemable on May 21 1986, have been isued by the following local authorities:

Cheltenham Borough Council £0.5m; Highland Regional Council £1m; Lochaber District Council £0.25m; Merthyr Tydfil BC £0.5m; Mendip DC £0.5m; Ogwr BC £0.5m; West Oxfordshire DC £0.25m; Edinburgh (City of) DC £1m; Hillingdon (London Borough of) £1m; Lincoln (City of) £0.5m; Dudley Metropolitan DC £0.75m; Sefton Metropolitan BC £1.25m; Wirral (Metropolitan Borough of) £1m; Eastbourne BC £0.25m; Renfrew DC £1m.

* * *

Adams & Gibbon, the Newcastle-upon-Tyne Vauxhall Opel main dealer fighting a £4.4m takeover bid from Keep Trust, sought yesterday to clarify why one of its major shareholders, Grovebell, sold its 14.39 per cent stake at 20p below Tuesday's market price of 260p.

A & G said that it wanted to know "whether or not any agreement or undertaking, verbal or otherwise, concerning A & G exists between Keep and Grovebell, which has any connection with the offer."

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Gen. Stockholders int.	1.15	July 12	0.95	—	2.35
GrandMet int	4p	—	3.7	—	9.2
Duport	1	July 1	0.7	1.33	1
Hartwells Group	2.63	July 31	2.27	3.83	3.34
Lond. and Northern	3.05†	July 8	2.8	4.9	4.5
W. Runciman	2.5	—	2.5	5	5
Smith, St Aubyn	0.5	—	3	2	4.5
Tern Group	1.25	July 17	0.25	2	0.25

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡USM stock. §Unquoted stock.

ANNUAL MEETINGS

Unilever plans for U.S volume expansion

SIR KENNETH DURHAM, chairman of the UK part of Anglo-Dutch Unilever, said yesterday that the group had "excellent plans for volume growth in the U.S.," though its programme to strengthen market position in America would have an effect on its short-term profitability there.

Sir Kenneth said that this was in the longer term interests of the group.

In Europe, he added, Unilever had tidied up its business and its prospects looked good, while it was also well placed in other overseas markets where growth was likely to be strong.

He said the company was still taking a cautious view on world economic growth in 1985 but "we are quite clear about our strategic direction and because our financial position is sound, I seeno reason why we should not seek aggresively to strengthen further our core businesses."

Unilever had strengthened its R & D resources, particularly in the U.S., and was giving great attention to manufacturing systems based on micro-electronics.

Speaking of the group's strategy of concentrating on "core" businesses, he said it had disposed of over 12 companies during 1984, while it had made 32 acquisitions over the past two years, all in core areas.

On Brooke Bond, acquired in a contested takeover last year, he said he was more confident than ever that the benefits which had been anticipated would not only materialise but might well be exceeded.

Sir Kenneth also hit out at the EEC's Common Agricultural Policy. The introduction at short notice of milk production quotas had had a seriously adverse effect on animal feed producers, while the release over Christmas of cheap buter from store had damaged the margarine industry "without attacking the fundamental problems ofr the CAP."

● Consultants (Computer and Financial) announced a new bureau service claimed to be the "most flexible, comprehensive and cost-efficient on offer to the stockbroking market." The chairman said that he would expect the new services to add significantly to CCF's income.

In the current year CCF was experiencing a continued high level of work and was trading profitably.

● Glynwed International's chairman told shareholders that the first three months of 1985 showed a "material improvement over those of the preceding year," with much of the profit naturally coming as a result of the disposals and reorganisation carried out in the second half of 1984.

The UK companies were performing well, though some of the sectors in which companies operate were somewhat more volatile than it would wish.

● The Legal & General meeting heard that the company was relieved that the Government had decided against the tax treatment of occupational pensions, and it was well placed to meet any challenges brought by the expected green paper on pensions.

Insurance group pension business had started the year very well and new business was 28 per cent up on the same period in 1984. On the individual pensions side there was a rush of new business in the first quarter as a result of pre-Budget uncertainties.

Tern well short of forecast at £79,000

Tern Group pre-tax profits for 1984 at £79,000, were well down on the forecast of £350,000 made at the time of a one-for-three rights issue of £1 preference shares last May. The group sought £780,000 from shareholders to fund what it expected to be a 35 per cent advance in turnover, and apart from forecasting a substantial profit increase from the 1983 figure of £33,000, it expected the total dividend to be hoisted from 0.25p to 2p net.

Both increases in turnover and dividend were duly achieved, but trading during the Christmas period was "well below expectations."

The lower than expected level of profit was due, say directors, to the unprecedented unavailability of import quotas for men's shirts from India for which firm orders existed.

In addition, they add that the trading run-up to Christmas was very late, necessitating the sale of a greater proportion of goods at reduced margins producing a Christmas period well below expectation.

However, in spite of the exceptional problems, all group companies—it manufactures shirts, ties and knitwear—traded, and continue to trade, profitably.

The final dividend is raised from 0.25p to 1.25p net for a total of 2p (1p).

Group turnover jumped from £8.01m to £11.22m, and the pre-tax figure was struck after operating expenses of £2.99m (£2.48m) net and interest charges up from £254,000 to £310,000. There was a tax charge of £48,000 against a credit last time of £1,500.

Extraordinary debits totalled £3,000 compared with £15,000, and there was a transfer of £3,000 (same) to debenture redemption reserve.

Brand names used by the group include Tern, Panache, Consulate, Inigo Jones, Scarlatti, Bias, Robert Carlo, Pierre Balmain and Propeller.

● comment

Those shareholders who passed up the chance to back last year's rights issues, and that accounts for 90 per cent of them, can think themselves lucky. For Tern Group has missed its profits forecast by a mile and this after interim results which indicated that it was well on target. The only consolation is that the company has kept its dividend promise, though only by raiding the reserves. The market clearly saw all this coming and left the shares unchanged at 48p. At this level, the City must have its eye on the company's net assets of 80p a share rather than the profit record. Admittedly the company says it is now trading profitably and quick swings in profitability are common in the fashion business. But it is difficult to see how Tern Group can stagger along for long under the burden of borrowings amounting to some 80 per cent of shareholders' funds. With higher interest rates this year, borrowing costs can only be greater than last year's leaving the company little room for manoeuvre. Shareholders would be forgiven if they have run out of patience.

● At Bridon, the chairman said that the improvement in UK wire rope demand was now coming through following the end of the miners' strike. British Ropes was maintaining its position in the larger export market established last year.

In the U.S., although continuation of the upward trend in performance of the wire rope manufacturing operation would take time to reach a satisfactory level of performance, he was confident that the would be achieved.

● Mr H. W. Cross, chairman of Brent Chemicals International, said that preliminary results for the four monthss of 1985 were as planned, and were firmly ahead of those for the corresponding period. The group's financial position was strong, and the board continued to be confident of growth prospects.

UK COMPANY NEWS

Ultramar tops £100m in first quarter

FIRST QUARTER pre-tax profits of Ultramar Group, the oil and gas exploration concern, surged from £59.4m to £103.6m and Mr Lloyd Bensen, chairman, expects good results for the remainder of 1985.

Sales revenue for the three months expanded from £784.3m to £820.4m, after-tax profit emerged at £46.4m, against £32.3m, and cash flow from operations increased to £69.2m (£54.5m).

Mr Bensen, who in March said he expected a good result for the first quarter, states that the year has started "very well." He points out, however, that there is a seasonal imbalance to the group's business, "and we therefore cannot expect the same level of profitability in the second and third quarters as in the first."

Mr Bensen adds that there are still excess crude oil avails, refinery capacities, marketing outlets and transportation facilities throughout the group's operating areas.

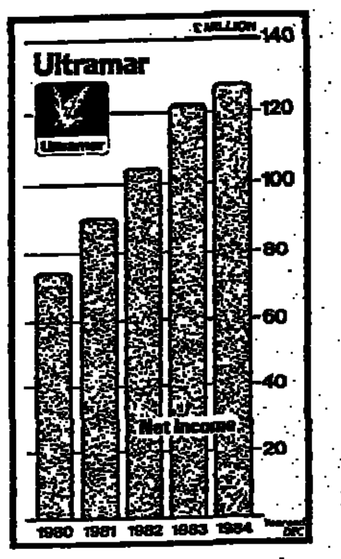
Profits for 1985, "will depend to some extent on factors beyond our control, particularly crude oil prices and currency exchange rates. Nevertheless, we do expect good results from the remainder of the year," the chairman states.

Operating profits amounted to £83.2m, compared with £46.9m and were split as to: exploration and production—Indonesia £24.9m (£17.8m); UK £13.5m (£12.3m); Western Canada £1.8m (£1.3m); U.S. £1m loss (£0.8m loss); Enstar operations £3.3m (nil); other areas £0.5m loss (£0.4m loss). Refining and marketing—Canada and U.S. east coast £17.9m (£17.3m); U.S. west coast £0.2m loss (£0.5m profit); UK £0.9m (£0.5m); international trading £0.2m loss (£0.7m loss). Shipping £2.7m (£1.4m loss); other activities £0.1m (£0.2m).

Mr Bensen points out that the group's principal upstream operations, the producing divisions in Indonesia, the North Sea and western Canada, contributed about 70 per cent of profits. Downstream operations in eastern Canada and the UK, as well as the shipping division were also profitable, but U.S. refining and marketing operations, he says, continued to be affected by weak price competition.

The chairman says that first quarter results were adversely affected by the abnormal currency exchange fluctuations since the beginning of the year. Because of the strong dollar, in the opening 10 weeks the group's Indonesian profits were consequently reduced, as the price of LNG varies inversely with the value of the dollar measured against a basket of currencies.

"Normally this would be offset by an increase in our reported sterling profits, but at the end of the quarter, the U.S. dollar weakened appreciably and we lost the benefit of converting our U.S. dollar profits into sterling at the rate of exchange which had applied for most of the period," Mr Bensen explains.



The group's average oil production for the first three months from Indonesia, the North Sea, western Canada and the U.S. reached a record 31,400 barrels per day. Gas production from these areas was at a rate of 432m cubic feet per day, while sales of crude oil and petroleum products for the first quarter were 308,400 barrels per day.

To date, the group has taken delivery of the first two of the six 76,000 ton oil-bulk-ore carriers bein gbuilt in Spain. Since coming into service these vessels have delivered crude oil to the Quebec refinery, coal to Taiwan and fuel oil to the U.S. Gulf Coast, the directors say. They expect delivery of a third vessel on June 1 and the remaining vessels at two-mouth intervals.

The directors point out that the group's Canadian subsidiaries have recently completed a major refinancing in that country involving two public issues totalling C$250m in the form of preferred shares. They say this will result in a considerable interest saving for Ultramar.

First quarter interest, paid by the group, amounted to £15.4m, compared with £17.5m, and the pre-tax figure was after higher distribution costs and administrative expenses of £43.2m (£34.3m), but included £20.4m share of profits in associated companies, against £0.2m.

After tax of £57.2m (£27.1m) net profits were £46.4m (£32.3m) giving earnings of 17.1p (11.9p) per share.

See Lex

MINING NEWS

In defence of copper producers

BY KENNETH MARSTON, MINING EDITOR

AT THE annual dinner of the Institution of Mining and Metallurgy Mr Jaime Ongpin, president of the Philippines copper and gold-producing Benguet Corporation, stoutly defended the copper producers in the lesser developed countries.

Broadly, he rejected criticism, often voiced in North America, that the mines in these countries operate at an unfair advantage over their competitors and are more concerned with earning foreign exchange than with normal commercial considerations, thus contributing to the over-supply of the metal that has depressed prices.

The uneconomic mines that should close down, or reduce output, were more likely to be found in North America, Mr Ongpin said. This, of course, had already happened to a large degree and his theme was not one that improved the digestive processes of his audience, but it left them with food for thought.

Basically it underlined the need for the base metal mining industry in the developed countries to improve efficiency further and cut costs, a painful process that was beginning to pay off. But it needs governmental encouragement, particularly in Australia, according to Dr Ian Story in his address to the Australian Mining Industry Council seminar.

He sees the outlook as one of flat prices for base metals, increased competition from the lesser developed countries and substitution from ceramics. At the same time he joins Sir Roderick Carnegie of CRA and others in criticising excessive government taxes and charges which reduce the competitiveness of Australia's mineral exports.

The Australian mining industry has been given a reprieve by devaluation of the currency, Dr Story says, but it can no longer rely on rising commodity prices. Instead it should focus on the marketing of its products and on improved productivity and technology.

Concern that Canada is also losing its competitive edge in natural resources has been expressed by Mr Alfred Powis, chairman of Noranda. In this case the problem stems from the strength of the Canadian dollar which has inflated the country's relative cost structure.

He points out in the company's annual report that because the Canadian dollar is linked with that of the U.S. it has risen sharply in value against many other currencies.

Over the past five years it has moved up 112 per cent over the South African rand, 70 per cent against sterling, over 60 per cent against the Deutsche Mark and nearly 50 per cent against the Swiss franc.

"When that is coupled with the fact that virtually all of our important international competitors have had major devaluations aainst European currencies, the impact has been close to lethal," he says.

Mr Powis does not consider Canada's primary industries to be inefficient—"by any measure we are at least as efficient as anything that exists elsewhere in the world". He hopes for an orderly decline in the U.S. and Canadian dollars "to levels more in keeping with international competitive realities. The only other alternative is to uncouple our currency from the U.S. dollar."

Benguet shows net loss

Benguet Corporation, one of the largest producers of copper and gold in the Philippines made a net loss of Pesos 62.3m (£2.9m) in the first quarter of this year, compared with a net profit of Pesos 52.8m in the same period of 1984, reports Leo Gonzaga from Manila.

The Benguet president, blamed the reversal mainly on protracted weakness of metals prices and the "continuing unfavourable results" of the 68 per cent-owned Engineering Equipment subsidiary; the latter lost Pesos 17.7m in the quarter compared with a loss of Pesos 28.2m a year ago.

As already announced, Benguet has decided not to pay its usual mid-year dividend.

UK COMPANY NEWS

Suter 'replenishing its coffers' with £12m rights

BY STEFAN WAGSTYL

Suter, the acquisitive engineering, distribution and packaging group headed by Mr David Abell, is raising £12m by way of a one-for-four rights issue to help pay for a series of recent takeovers.

Mr Abell said the company was "replenishing its coffers" and cutting back the borrowings built up over the last two years by making acquisitions, among them the recent purchases of Francis Industries for £15.5m and Lake and Elliot for nearly £8m.

The company said that acquisitions would continue to play an important part in its expansion strategy. However, buoyant trading conditions and encouraging prospects also justified additional investment in productive capacity.

The group's borrowings are expected to fall from £14.7m against net assets of £26m to under £2m against net assets of £40m following the rights issue and the conversion of outstanding convertible loan stock later this year.

The terms of the issue underwritten by merchant bank Robert Fleming are one new share at 120p for every four ordinary shares, and one for every four deferred ordinary shares, and 55 for every £100 of convertible loan stock. The stock market marked the ordinary shares down 3p to 136p on the announcement.

Suter says that its 1985 results will include a first full-year contribution from Francis, and a part-year contribution from Lake and Elliot. Sales for the first quarter were a significant improvement on 1984 and the outlook was extremely encouraging.

Mr David Abell

The company intends to pay increased dividends of 4.2p (3.5p) for 1985 on the enlarged share capital.

Suter has been transformed since Mr Abell, a former senior executive at BL, took control in 1978 by a series of acquisitions which began with the purchase from BL of Prestcold, the refrigeration group.

The company has profited from buying and selling stakes in other listed companies—notably James Neill, the Sheffield hand tool company—and in taking over business outright. It currently has declared stakes in two engineering groups, F. H. Lloyd and Newman Industries.

● comment

It is only to be expected that Suter should want to refill its war chest. In the last seven years, the group has worked hard to bring down borrowings, which were very high at the time of the Prestcold purchase, without sacrificing its expansion plans. Along the way Mr David Abell and his colleagues have built up a group of businesses which demonstrated their ability to generate strong internal growth last year and look like doing the same again this year. The City, however, has yet to be convinced. Suter still has a reputation for quick-fire share dealing which attracts criticism from those who doubt the group's ability to pursue sound long-term expansion. The belief persists that sooner or later Suter will bite off more than it can chew and develop severe indigestion. Such comments look increasingly churlish given the way that the original Suter and Prestcold businesses have performed over the last five years—a long enough track record. But Suter could also do itself a lot of good by talking less aggressively about F. H. Lloyd, for example. Nevertheless, the shares seem to be somewhat behind events at the company, even though Suter has found unexpected pre-acquisition problems in the accounts of Francis Industries. On an ex-rights price of 135p, the shares change hands on a multiple of about 10, fully diluted, assuming full-year profits of £8m pre-tax and a 28 per cent tax charge.

Smith St Aubyn in loss and cuts final

Smith St Aubyn (Holdings), discount broker and banker, has announced a net loss of £628,000 for the year to April 5 1985, compared with profits of £2.52m.

At the interim stage the directors said that the base rate rise in the period resulted in a loss which was covered by undisclosed reserves. They then announced an unchanged interim dividend of 1.5p.

The directors are now dropping the final payment by 2.5p to 0.5p, bringing the total for the year to 2p against 4.5p.

The net loss was struck after providing for rebate, tax, all expenses, and after a transfer from the reserves for contingencies.

After dividend payments, but including the balance brought forward, retained profit for the year emerged lower at £2.78m (£3.98m).

The company's capital and published reserves at April 5 were £9.8m (£11m), with loans and deposits standing at £329.92m (£409.95m).

Of the listed investments, the company has gone short on gilts to the extent of £3.6m, against holdings of £49.4m. Loans and amounts receivable are shown considerably lower at £11.8m (£20.44m), while mortgage bonds and deeds are down from £6.1m to £4.35m.

Emess Lighting calls for £3m to help fund lampshade bid

BY LIONEL BARBER

Emess Lighting, the London-based lighting products group, yesterday announced an agreed £6.25m cash and shares bid for Marchant Holdings, the privately-owned Hertfordshire-based table-lamp and lampshade manufacturers.

The combined group will have around 10 per cent of the £120m UK domestic lighting market, traditionally dominated by Italian and Spanish imports.

Emess is raising £3.3m net in a one-for-three rights issue, already underwritten, to fund the cash part of the purchase. It is also proposing a 5.5p per share dividend for 1985, a 20 per cent rise on last year.

"Marchant is one of the most respected names in the industry," said Mr Michael Meyer, the South African-born chairman of Emess, "and the acquisition will create a major force in an expanding market."

Emess is one of the UK's fastest growing lighting products manufacturers. Since it obtained a full stock market quote in 1980, it has enjoyed a compound earnings growth of 20 per cent per year, recently announcing pre-tax profits of £955,000, almost double the previous year.

Marchant specialises in manufacturing lampshades and lampbases, supplying major UK chain stores, including Habitat. It announced pre-tax profits of £500,000 on turnover of £6.5m in the year to December 1984, and was considering aplying for a quote on the Unlisted Securities Market, according to Mr Meyer.

Marchant operates from three main plants: Royston, Hertfordshire, Newton Abbot, Devon, and west London. One of its strengths is that it manufactures high-volume ceramic bases for lamps. According to Mr Meyer, some 40 per cent of domestic lighting sales in the UK are in lampshades and lampbases.

Under the terms of the deal, Emess is offering 453,806 of its ordinary shares to Marchant issued ex rights at 212½p a share. This is worth around £1m.

In addition the one-for-three rights issue, priced at a keen discount of just over 11 per cent, at 190p, will raise around £3.35m net of expenses. This will go towards the purchase and avoids the need to borrow to fund the acquisition.

A further £1.75m is payable in cash to Marchant providing it achieves pre-tax profits of £800,000 in 1985.

Mr Meyer pointed out that County Bank, which underwrote yesterday's rights issue, previously held around 16 pe crent of Marchant's equity. However, it had decided to take up Emess shares, giving it between 3 per cent and 4 per cent of the new group. "We take this as a sign of confidence in the future," said Mr Meyer.

The UK lighting industry has been stimulated by the decision of major retailers, notably Marks and Spencer, to revamp their homewear operations. Another retailer, Next, intends to open some 30 stores, with lighting products featuring prominently, said Mr Meyer.

He stressed that he intended to keep the new group decentralised with each operation being kept separate rather than a full-scale merger taking place. After completion of the acquisition, Mr David Weatherly, Marchant's chief executive, will join the Emess board.

Causeway sets up BES fund

The latest Business Expansion Scheme fund of the current tax year comes from the investment management group Causeway Capital, which is asking investors for between £1m and £3m.

The fund is being formed in conjunction with the merchant bank J. Henry Schroder Wagg, stockbrokers De Zoete & Bevan, the chartered accountants Thornton Baker and Towry Law (Holdings), the insurance brokers. Causeway is accepting investments of a minimum of £2,000, applications for which must be received by July 12.

Causeway will be investing between £100,000 and £450,000 in unlisted groups in all industrial and commercial sectors permitted under the BES, and start-ups and management buy-outs may also be included. Causeway's 1984-85 BES fund attracted £1.6m.

Barclays finds partner for Japan trust banking plan

BY DAVID LASCELLES, BANKING CORRESPONDENT

Barclays Bank has found a partner for its proposed entry into the Japanese trust banking business. It is Toyo Trust, one of the major Japanese trust banks.

Barclays is one of nine foreign banks which have applied to the Japanese Ministry of Finance for a trust banking licence. However, a condition is that the applicant must form a partnership with a local concern in order to have the necessary staff and expertise.

The Ministry of Finance has said that up to eight licences will be granted, so at least one applicant will be turned down. The other hopefuls are six U.S. banks and two Swiss. Barclays' chances are considered to be good because of the Japanese wish to improve banking links with the UK.

Barclays said it applied for a licence since this represented a rare opportunity to break into a new market in Japan, where controls on the financial system are tight. If successful, it would engage in pension and trust fund management, and securities handling.

* * *

Morgan Grenfell, advisers to Associated Dairies Group, yesterday placed 27.9m shares which ADG had received as consideration for 14.9m shares in MFI Furniture. The placing, at 147½p, represented 2.5 per cent of ADG's equity as expanded by its acquisition of MFI.

The merchant bank bought the 7.52 per cent stake in MFI on behalf of ADG before the agreed offer for the furniture group was announced. The bid went unconditional on Tuesday.

Birmingham Post & Mail transfer cleared

The Government has cleared, following a favourable Monopolies Commission report published yesterday, a transfer of control of 39 newspapers in the Birmingham Post and Mail group within the Iliffe family. The commission, which must report on any proposed change in newspaper proprietors, said the transfer "may not be expected to act against the public interest."

Under the proposed change, the trustees of Lord Iliffe's 1969 Settlement will become proprietors of the newspapers, including the Birmingham Post itself, instead of Mr R. P. R. Iliffe. The trustees are already proprietors of 10 Coventry and Cambridge newspapers.

Mr Iliffe told the commission that the change was for reasons of convenience, and to obtain more beneficial tax treatment of trading losses. Practical control and management of the newspapers would remain unchanged.

UK COMPANY NEWS

Hartwells tops £5m in record year

A RECORD £5.02m was achieved by Hartwells Group, for the year to February 28 1985, compared with £4.22m previously, and Mr P. F. Huggins, the chairman of this Oxford-based vehicle distributor and heating services group, says the result is a "milestone through the £5m barrier."

Total group turnover moved ahead by £12.63m to £218.3m, with the vehicle distribution side improving from £163.57m to £174.33m, and heating services from £41.9m to £43.97m.

The directors recommend an increased final of 2.63p (2.27p), bringing the total for the year to 3.83p (3.34p adjusted). This increase follows the board's stated policy of increasing dividends in line with profits. A two-for-three scrip issue is also proposed.

Mr Huggins says that the board is optimistic about prospects for the current year. The acquisition of the Bristol Motor Company at the end of February, and the re-alignment of the Austin Rover franchise in Bristol means that the group has the sole distribution for Bristol.

In addition the acquisition of the Jaguar, Rolls Royce, Lotus, Land Rover and Freight Rover *franchises for Bristol further* enhance the possibilities, he says, and results for March 1985 show an improvement over the corresponding month. Given uninterrupted supplies throughout the year, coupled with no downturn in new vehicle restrations, further growth in profits is anticipated.

As in previous years profits for 1984-85 wer helped by low interest charges. While short term stock holdings at the year end resulted in an increased bank overdraft, the increase in interest receivable on overnight money, from £26,000 to £76,000, and the reduction in interest payable, from £541,000 to £508,000, reflects the low level of *borrowings in the year, the* chairman says. This was achieved despite a record level of expenditure, about £3.4m, on property.

Nationally, registration of new passenger cars were slightly down in the year to end-December 1984, but the chairman says that better quality of trading in the group's various companies enabled it to improve its position in a highly -competitive market place.

A new holding company, Hartwells Motors, was also formed during the year to control the motor operations of the group.

While new and used passenger unit sales, and commercial vehicle sales fell slightly dur*ing the year, the other sections* of the motor business continued to make valuable contributions to the overall result, he says.

Workshop turnover rose by 8.9 per cent to £8.5m, despite longer service intervals and competition from "fast-fit" centres. Sales of both wholesale and retail parts amounted to £18.4m, and Mr Huggins says this section comprises a substantial business in its own right.

Petrol sales, forecourt shop sales and other associated activities produced sales of £19.6m, and made a good contribution to the motor profits.

The heating oil market con*tinued to be highly volatile* during the year, but overall the result from this division is "very satisfactory." Total profits from all the heating activities, together with some petrol retailing, amounted to £984,000, a substantial increase on the previous year, and suggests that after a number of lean years, some growth is being achieved.

The effort which has gone into the development of heating services, which now includes the marketing of a "Hartwells" boiler, is showing through the chairman adds, and is supporting the somewhat uncertain business of retailing bulk fuel.

After a tax charge of £976,000 (£905,000), net profits emerged at £4.04m (£3.32m), for stated earnings per 25p share of 15p (12.4p).

Retained profit amounted to £3.01m (£2.42m).

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based *mainly on last year's timetable.*

TODAY

Interims: Dubilier, Western Selection.

Finals: Bank of Ireland, Benlox, Berry Pacific Fund, Computer and Systems Engineering, Country and New Town Properties, Fecdox Agricultural Industries, John Foster, Hanover Investments, C. E. Heath, Henderson *Group, Highland Participants, London* Atlantic Investment Trust, Robert Moss, Murray Technology Investments.

FUTURE DATES

Interims—	
Avon Rubber	May 22
Gieves	June 4
Johnson and Firth Brown	May 21
PLM	June 4
Telecomputing	May 28
Williams (John) of Cardiff	May 22
Finals—	
Carless Capel and Leonard	May 29
Lanca	May 21
M.K. Electric	June 27
Macdonalds Martin Distilleries	May 24
Plessey	May 23
Sainsbury (J.)	May 21
Samuel (H.)	May 24

W. Runciman swings back in second half

After incurring losses of £107,000 at the halfway stage, Walter Runciman, the shipping, insurance and security engineering group, came back strongly in the second half and ended 1984 with a pre-tax profit of £824,000.

Figures for the previous 12 months were £1.05m.

*Group turnover was sub*stantially lower at £50.97m compared with £64.53m, but this excludes £7.07m attributable to a subsidiary not consolidated and disposed of since the end of the year.

The total dividend is unchanged at 5p net with a same-again final of 2.5p. Dividends absorb £438,000 (£434,000). Stated earnings per 25p share before extraordinary losses of £374,000 were 8.7p against 13p.

The extraordinary loss comprised a provision of £285,000 relating to closures in the security engineering division; a gain of £16,000 on the cost of termination in 1984 of a joint shipowner venture, and a loss of £105,000 relating to the discontinuance of trading activities abroad by the security engineering division.

USM NEWCOMERS

Prontaprint to extend franchise operations

By Lucy Kellaway

Prontaprint, which has been grooming itself for the USM for more than three years, is set to come to market on June 11 with a market value of about £10m.

Equity Finance Trust will be placing shares to raise about £3m, half of which will be new money for the company.

Prontaprint is best known for *its chain of franchised fast print* shops, of which there are nearly 300 in the UK. The market is dominated by small privately-owned shops, and Prontaprint is far larger than nearest rivals Kall-Kwik and Pip. The company is now increasing the number of UK shops still further, by about 30 a year, and is rapidly expanding overseas in particular in South Africa and Continental Europe.

Having established a successful formula for its franchised print shop, Prontaprint is moving into the franchising of other products. In 1982 it bought a controlling stake in Poppies, a domestic and office cleaning business which now has 25 outlets, and in 1984 acquired a majority interest in Fudge Kitchen, which manufactures fudge and other sweets. It is currently considering other products which could lend themselves to franchising.

Prontaprint will be the USM's second franchiser, following the successful entry of the Body Shop last year. It is likely to come to market on an earnings multiple of about 25.

Franchising in the UK has greatly increased in importance over the past five years and now accounts for about £1bn of annual UK retail sales. Drawing heavily on its own experience, Prontaprint has recently started a franchise consulting service, and has signed an agreement with Robert Harris Associates, an international consultant.

In the year to March 1984 pre-tax profits rose by 44 per cent to £418,000 on a turnover of £2.7m backed by enfranchised sales of £18.6m. The company has increased profits every year, with the exception of 1982 when it made a loss of £76,000. This, it says, resulted from an unsuccessful experiment opening concessionary outlets in Ryman stationery stores.

It is expected that profits in the year just ended will show another increase of about 45 per cent, and Mr Edwin Thirlwell, the chairman, said yesterday that this rate of growth should be sustainable for the next few years.

The company now makes most of its money from a 10 per cent levy on enfranchised sales; as the number of new outlets opening has slowed the proportion of turnover from front-end licence fees has declined.

Listing values jeweller at £6m

By Stefan Wagstyl

Abbeycrest, a Leeds jewellery company, is joining the USM next week with a market capitalisation of £6.1m.

Broker Schaverien has placed 37.7 per cent of the company's equity, or 2.47m shares at 93p each. Of these, 550,000 are new shares sold to raise £461,000 net of expenses for the company, which will be used to reduce borrowings and to fund future growth.

The remaining shares are being sold mainly by Mr Michael Lever, a 39-year-old former dentist who founded Abbeycrest in 1979. He is chairman and managing director and will retain a 50 per cent stake.

Abbeycrest designs, makes and distributes a wide range of jewellery which it sells to multiple retailers, mail order companies and wholesalers.

Pre-tax profits have grown from £213,000 on sales of £1.7m in 1981 to £584,000 on sales of £6m in the year to last August. In the first six months of the current year, Abbeycrest has made £472,000 pre-tax on £4m sales.

The company is forecasting pre-tax profits for 1984-85 of not less than £725,000 and earnings per share of 6.72p after an estimated 43 per cent tax charge, making a prospective price/earnings multiple of 13.6 at the placing price. The indicated yield is 3.8 per cent, on forecast dividend for 1985-86 of 2.5p.

The company sees good prospects of expanding sales into Continental Europe and of increasing its ranges from necklets, bracelets, bangles and earrings to other kinds of jewellery.

Dealings start on May 22.

Company Notices

APPOINTMENTS

Agricultural chief for CWS

The new head of what is claimed to be Britain's biggest farming organisation has been named. Mr Michael Calvert will become general manager of the CO-OPERATIVE WHOLESALE SOCIETY'S farms and horticultural group on August 5. He will be responsible for development of 34,000 acres of commercial farmland on 16 estates in England and Scotland, as well as an agricultural business supplying feed, fertiliser and other goods to Britain's farming co-operatives. Mr Calvert comes to the CWS from Sentry Insurance, where he was general manager of its farming off-shoot. He succeeds Mr Harry Martin who is retiring.

★

Mr Terry Pike will become principal engineering adviser at the OVERSEAS DEVELOPMENT ADMINISTRATION on July 1. He is at present responsible for advising on ODA-funded engineering projects in Africa, the Middle and Near East, and the Mediterranean. He will succeed Mr Brian Grieveson, who is returning to the private sector.

★

Mr J. Denys Johnson is to be the new president of the Association of Supervisory and Executive Engineers (ASEE) from October 1. He succeeds Lord Howie of Troon. Mr Johnson is chairman of the National Economic Development Council's electrical engineering economic development committee. He is also chairman of ERA Technology and of VS Technology Group.

★

BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT GROUP has appointed Mr Michael F. Goetschmann to the management team, with responsibility for the commodity and international trade finance division. He joins BAII from Banque Paribas (Suisse), Geneva, as vice-president in charge of oil and grain financing.

★

PORTALS HOLDINGS has appointed Mr J. E. F. Lloyd and Dr E. W. Jackson as directors. Mr Lloyd also becomes deputy managing director of Portals Holdings and managing director of Portals Papermaking. Dr Jackson has been made managing director of Portals Water Treatment.

★

Mr Ray Smith, a director of *Inbucon Management Consultants* has been appointed a vice president of RCG INTERNATIONAL INC. Mr Richard Alston, a director of Inbucon International, has been appointed to the board of *Inbucon Management Consultants* as director of human resources.

★

Mr Charles Russam, a founder member of GUARDIAN MANAGEMENT SERVICES, has been appointed managing director. Prior to the formation of GMS, he was a divisional director of Whitbread.

★

DAVENPORT VERNON *HOLDINGS has made the* following appointments in the group: Mr Tony Adams, managing director, Davenport Vernon & Co.; Mr John Gorse, managing director, Davenport Vernon Milton Keynes; Mr Tony Hale, general manager, Davenport Vernon Watford; Mr Alec Moore, managing director, Cowley and Wilson; Mr Bill Ludlow, managing director, and Mr Alan Ainsworth, sales director, Air Drive.

Board changes at Unilever

Mr J. Louden, Mr F. W. L. Mann, Jonkheer I. E. B. Quarles van Ufford and Mr C. F. Sedcole, directors of UNILEVER NV and UNILEVER plc, did not seek re-election to the boards at the annual meetings and have retired. Mr M. Dowdall, Mr H. Eggerstedt and Mr M. S. Perry *have been elected directors of* both companies.

★

Mr D. G. Janes has been appointed managing director of FISONS scientific equipment division's instruments group. The group includes Fisons speciality instrument companies in West Germany (Haake), the U.S. (Haake Buchler) and the UK (MSE). Mr Janes joins from Electrocomponents, and has been appointed a member of the *scientific equipment division* board.

★

Following a capital restructuring, SPOTTISWOODE & SPOTTISWOODE has appointed Mrs Theresa Lloyd as marketing director and Mr Jeremy Raphaely as director. Mrs Lloyd was previously manager of the London branch of Amca Netherlands. Mr Raphaely is non-executive chairman of Applied Systems Knowledge.

★

Mr Peter Smith, public affairs manager of Powell Duffryn, will be joining REED INTERNATIONAL on September 2. He will succeed Mr Barrie Powell-Jones, director of publicity, on his retirement on January 31, 1986, *with the title of head of* corporate relations.

★

Mr Peter Urwin has joined FAIREY CONSTRUCTION (part of the Pearson Group) as financial director designate. He was financial director at NEI Clarke Chapman.

★

Dr Alex Reid has been appointed a non-executive director of PERCOM. He is chairman of Octagon Investment Management and of Acorn Computer Group, and a non-executive director of Group 4 Securitas.

★

Appointed deputy chief executive of the FEDERATION BREWERY is Mr David Brook, formerly managing director of Strathmore Springs, a subsidiary of the Lonrho Group.

★

Mr W. John Barrow has joined GOTA (UK), wholly-owned subsidiary of Götabanken, Sweden, as senior manager in charge of the banking division. He was formerly with Manufacturers Hanover Trust.

★

Mr Anthony D. Shanagher, executive vice-president and chief financial officer of ALLEGHENY INTERNATIONAL INC (AI), has been elected to the board. He joined Wilkinson Sword Group in 1964, becoming chief financial officer and a director in 1968. After Wilkinson Sword became an AI member-company in 1978, Mr Shanagher was appointed senior staff vice-president, international finance, in 1982 and later was elected AI corporate vice-president, international finance. Mr Shanagher was based in Britain prior to his present post at AI headquarters in Pittsburgh from January 1984.

Group MD for Redfearn

Mr Arthur Church has been appointed to the board of REDFEARN NATIONAL GLASS as group managing director. He was vice-president and general manager Northern Europe of National Can Corporation.

★

Mr Richard William Evan Law has been re-appointed a Public Works Loan Commissioner, and Mr Richard Alfred Chapman has been appointed a Commissioner in succession to Mr Charles Guy Vaughan-Lee who died in February 1984. Mr Law is a former managing director of Gillett Brothers Discount Company. He was first appointed a Commissioner in 1977. Mr *Chapman is senior vice president* of Bank Julius Baer and Company.

★

Sir Denis Barnes, Mr R. Stewart Rauch and Mr H. D. Waldron have retired as directors of *GENERAL* ACCIDENT FIRE & LIFE ASSURANCE CORP. The Earl of Mansfield has been re-appointed to the board. He had served previously as a director from 1972 until 1979 when he *resigned to take up Government* office.

★

Mr Colin O'Brien has been appointed chief executive of a recently-formed specialist fabrics sub-group of WHITECROFT. He was formerly managing director of Chorley Bleaching & Dyeing Co and is succeeded in that post by Mr Philip Eastwood, production director. Mr David Fall becomes managing director of Eric Britton, the group's bias binding and trimmings manufacturing subsidiary.

★

Mr J. A. Court has resigned as managing director of NATIONAL BANK OF NIGERIA. Mr Court, a British national, had served 11 years as managing director and adviser at both National Bank of Nigeria and Wema Bank, both members of the Odu'a Group. Mr C. T. A. Milton Job succeeds Mr Court as acting managing director of the bank. Mr Job was an executive director.

★

Mr J. D. Whitesmith who joined Thermax eight years ago and is now company secretary has been appointed finance director of its holding company, V. W. THERMAX.

★

AT COMPUTERWORLD, joint computer retailing venture between Applied Computer Techniques (Holdings) and Tandy Corporation, has appointed Mr John Pope to its senior *management team as financial controller.* He joins AT ComputerWorld from the management consultancy branch of Ernst & Whinney.

★

The automotive products division of UNITED TECHNOLOGIES AUTOMOTIVE has named Mr Robert T. Duffey director—UK operations, United Technologies Automotive (UK). He was chief engineer—wire assembly and engineering services.

★

PARROT CORPORATION, Newport, Mon., has appointed Mr John Butterwick as chairman. He was a vice-chairman of Lazard Brothers & Co. He is also chairman of Fenno-*Scandia, East Anglian Securities* Trust and Baker Street Investment Company, and a director of London Merchant Securities.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1984							
1st qtr.	104.0	99.0	103	107.7	122.7	2,998	147.0
2nd qtr.	101.8	99.7	107	110.2	130.1	3,026	154.0
3rd qtr.	102.2	101.2	107	111.1	133.3	3,076	165.1
4th qtr.	103.1	100.8	103	113.6	164.0	3,103	166.5
October	102.7	100.2	106	112.0	139.9	3,100	170.5
November	102.9	100.7	100	112.7	149.6	3,102	167.6
December	103.6	101.5	104	115.6	194.9	3,108	161.3
1985							
1st qtr.				112.6	133.9	3,138	157.5
January	105.2	101.3	100	111.6	134.4	3,124	157.2
February	105.0	102.2		112.0	130.2	3,144	156.1
March				113.3	136.5	3,147	159.2
April				114.4			

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1984							
1st qtr.	100.1	93.9	110.5	96.2	113.5	95.9	16.2
2nd qtr.	101.3	95.4	105.3	97.7	106.1	97.2	18.0
3rd qtr.	102.0	97.2	104.5	100.1	109.4	98.0	16.2
4th qtr.	102.3	97.1	106.1	99.1	106.5	99.7	13.3
September	103.0	98.0	105.0	101.0	110.0	100.0	15.2
October	102.0	96.0	106.0	99.0	105.0	99.0	16.5
November	102.0	97.0	106.0	99.9	108.0	100.0	13.9
December	103.0	98.0	107.0	100.0	106.0	100.0	9.5
1985							
January	103.0	98.0	110.0	100.0	102.0	99.0	11.7
February	104.0	99.0	108.0	101.0	107.0	101.0	13.2
March							16.7

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1984							
1st qtr.	108.7	112.1	− 57	+623	+2,322	97.3	16.75
2nd qtr.	107.3	117.1	−1,228	−592	+1,543	96.9	15.51
3rd qtr.	108.0	119.8	−1,643	−621	+1,804	96.7	15.26
4th qtr.	117.5	126.1	−1,327	+641	+1,468	96.1	15.52
October	115.4	131.2	−807	+201	+373	96.4	15.35
November	118.0	120.8	−177	+303	+352	95.9	15.50
December	119.2	126.2	−344	+136	+743	96.0	15.69
1985							
1st qtr.	118.5	124.8	−1,245	+ 16	+1,976	95.5	14.80
January	116.5	118.2	− 76	+341	+928	96.0	15.52
February	121.5	124.4	−270	+131	+681	95.0	15.35
March	117.6	131.8	−900	−456	+367	95.6	13.53
April							14.03

FINANCIAL—Money supply M0, M1 and sterling M3, bank *advances in sterling to the private sector (three months' growth* at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1984							
1st qtr.	4.1	10.1	8.2	13.6	2,609	2,868	8.50
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,870	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,809	10.50
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,941	9.63
September	4.4	7.8	4.0	2.4	887	891	10.50
October	6.7	18.5	9.6	11.4	1,125	1,003	10.50
November	9.9	27.3	18.6	17.1	363	967	9.63
December	12.2	27.2	12.1	22.4	1,004	971	9.63
1985							
1st qtr.	2.2	0.7	9.1	15.2	1,511	3,146	13.50
January	5.0	9.0	13.6	16.3	823	1,166	14.00
February	3.1	− 5.0	4.6	13.3	474	1,008	14.00
March	− 1.3	− 1.2	9.2	16.0	214	972	13.50
April					507		12.63

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1984							
1st qtr.	153.6	133.6	129.0	343.9	321.7	308.67	81.7
2nd qtr.	155.9	134.3	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.6	134.1	132.8	353.9	326.8	288.95	78.0
4th qtr.	164.1	140.1	134.3	358.3	326.8	289.64	74.1
September	159.9	135.2	133.3	355.5	324.9	288.95	77.2
October	164.2	137.9	133.9	357.7	326.2	292.40	75.6
November	162.8	139.2	134.3	358.8	326.6	289.29	75.7
December	165.3	143.4	134.9	358.5	327.6	289.64	74.1
1985							
1st qtr.	165.4	146.2	136.6	362.9	332.8	295.22	72.0
January	163.4	145.3	135.9	359.8	330.6	296.98	71.5
February	164.6	147.6	136.6	362.7	332.5	295.73	71.3
March	168.2	145.6	137.5	366.1	335.4	295.22	73.3
April		142.0	139.0			295.08	78.0

* Not seasonally adjusted.

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday May 16 1985

Poor harvest puts pepper in a pickle, Page 48

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WALL STREET

Cut in prime brings rush of support

PRICES SURGED on Wall Street yesterday as the market's anticipation of lower interest rates was proved correct by a *cut in the prime rate* by a leading U.S. bank, *writes Terry Byland in New York.*

Other banks are expected to follow suit and the Federal Reserve is now under considerable pressure to cut its discount rate.

Stock prices advanced sharply in heavy trading after Bankers Trust lowered its prime rate from 10½ per cent to 10 per cent. Later they fell back.

The Dow Jones industrial average closed 0.22 up at 1,273.52.

Bond prices turned higher for a while and Treasury Bill rates plunged as the credit markets realigned themselves in response to the prime rate cut.

Lower interest rates are invariably a bull factor for the stock market, and analysts predicted yesterday that the Dow average might soon challenge the 1,300 barrier, briefly pierced in February when the average reached its closing peak of 1,297.92. The strength of the broadly based market indices was seen as particularly favourable.

However, the fall in short-term rates suggests a slowing economy, reflected yesterday in the disclosure that industrial production dipped by 0.2 per cent in April. Corporate profits for the first quarter showed a 4 per cent drop from last year's final three months, and a cloud now hangs over the outlook for profits in the second quarter.

Lower interest rates brought a swift rally in motor stocks, which have been unsettled by poor industry sales in May. General Motors gained $1 to $67½, Chrysler $¾ to $35⅝, but gains were soon trimmed and Ford at $41 was unchanged. Airlines edged higher.

The prospect of lower interest charges to customers boosted retail stocks, which have been sluggish. Sears, at $35¼, added $½, and Federated Department Stores gained $1½ to $60½.

Banks, which have been benefiting from falling rates in the money markets, where they fund themselves, remained firm. Bankers Trust added a further $¾ to $73¼, Chase Manhattan $⅝ to $58⅞ and J. P. Morgan $⅞ to $51½.

But the savings and loan companies remained unsettled by the problems at the Maryland thrifts, and also by further details of the losses in the federal bond repurchase markets, which is a centre of activity by the thrifts.

Wall Street braced itself for a $5bn merger in advance of the announcement that Allied, the chemical and industrial group, has agreed to pay $45 a share for the equity of Signal Companies, the high-technology group. Both stocks were suspended ahead of the news, but Jefferies, the doyen of the third market, disclosed that it had traded more than 1m shares in Signal in early trading.

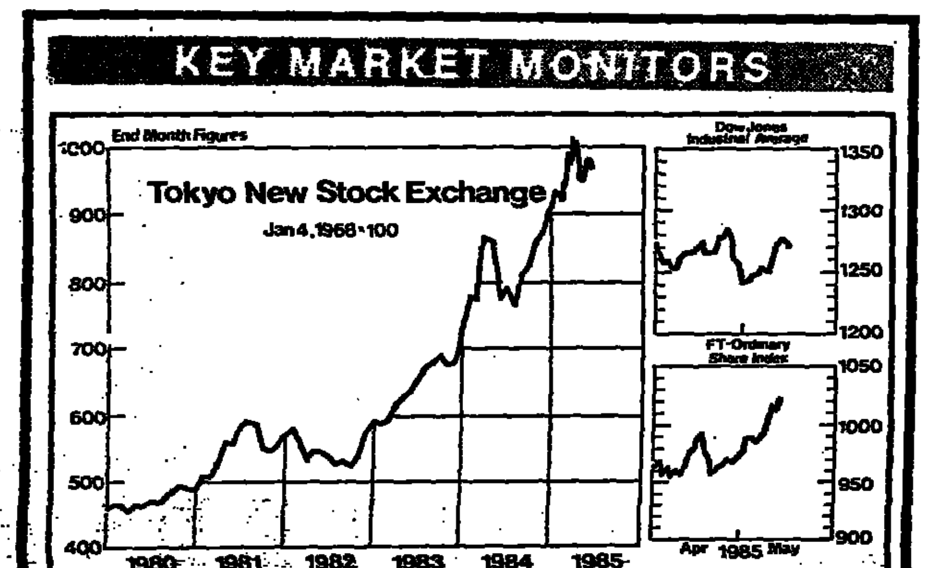
Later, Signal returned to trade at $39⅛ on the NYSE, a net loss of $⅞ overnight. Allied was down $3⅛ at $40½.

Renewed strength in IBM led the market forward. At $129, IBM gained $1, and turnover remained high. Also active were Atlantic Richfield $¼ better at $60⅛, General Electric, $⅜ up at $59⅝ and AT&T, $½ better at $23. There was a spurt of demand for Western Union, which added $1⅞ to $10⅞ in heavy trading.

Among takeover issues Crown Zellerbach eased $⅜ to $41¼ as Wall Street awaited the next move after Sir James Goldsmith had triggered the board's "poison pill" defences. Sonat, the natural gas group, bounded ahead $4⅞ to $40⅞, but the board knew of no reasons behind the market's belief that Midcon might bid.

In the credit market, Treasury Bill rates tumbled by up to 22 basis points, as Mitsui Manufacturers Bank joined the trend to lower prime rates. But the prime cuts have been largely discounted in the bond market, where prices failed to maintain their immediate gains.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	May 15	Previous	Year ago
DJ Industrials	1,272.42*	1,273.30	1,150.86
DJ Transport	609.72*	609.72	496.30
DJ Utilities	158.85*	158.70	128.85
S&P Composite	184.26*	183.87	158.00
LONDON			
FT Ord	1,022.3	1,012.3	879.4
FT-SE 100	1,342.4	1,326.5	1,094.6
FT-A All-share	642.93	637.44	523.81
FT-A 500	705.10	698.08	573.93
FT Gold mines	496.9	511.3	627.5
FT-A Long gilt	10.76	10.75	10.54
TOKYO			
Nikkei-Dow	12,358.03	12,504.2	10,604.5
Tokyo SE	967.87	978.03	830.77
AUSTRALIA			
All Ord.	895.3	898.3	729.5
Metals & Mins.	575.3	578.8	489.4
AUSTRIA			
Credit Aktien	93.61	94.39	54.9
BELGIUM			
Belgian SE	2,237.72	2,228.27	—
CANADA			
Toronto			
Metals & Minls	2,009.8*	2,016.8	1,967.0
Composite	2,675.7*	2,660.9	2,284.6
Montreal			
Portfolio	131.86*	130.86	109.43
DENMARK			
Copenhagen SE	187.18	185.75	196.52
FRANCE			
CAC Gen	221.6	220.7	176.0
Ind. Tendance	123.1	121.9	91.3
WEST GERMANY			
FAZ-Aktien	431.89	432.57	344.78
Commerzbank	1,262.9	1,263.6	1,004.1
HONG KONG			
Hang Seng	1,612.61	1,615.00	924.07
ITALY			
Banca Comm.	314.24	305.07	210.45
NETHERLANDS			
ANP-CBS Gen	208.1	207.9	163.8
ANP-CBS Ind	171.6	171.9	131.4
NORWAY			
Oslo SE	332.37	332.27	283.86
SINGAPORE			
Straits Times	814.42	804.24	981.26
SOUTH AFRICA			
JSE Golds	–	1,109.4	900.0
JSE Industrials	–	934.7	975.9
SPAIN			
Madrid SE	closed	111.49	86.1
SWEDEN			
J & P	1,384.18	1,408.94	1,490.55
SWITZERLAND			
Swiss Bank Ind	429.8	431.4	376.6
WORLD	May 14	Prev	Year ago
Capital Int'l	207.6	207.7	183.0

GOLD (per ounce)

	May 15	Prev
London	$323.25	$327.00
Zürich	$322.65	$327.25
Paris (fixing)	$322.38	$322.85
Luxembourg	$323.55	$324.00
New York (June)	$323.90	$325.80

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR May 15	U.S. DOLLAR Previous	STERLING May 15	STERLING Previous
$	–	–	1.2635	1.2735
DM	3.077	3.0425	3.8875	3.8775
Yen	251.25	249.55	317.0	318.0
FFr	9.385	9.3	11.825	11.835
SwFr	2.5785	2.565	3.26	3.265
Guilder	3.471	3.445	4.3825	4.39
Lira	1,961.0	1,942.5	2,473.5	2,476.0
BFr	61.85	61.3	78.05	78.1
C$	1.3735	1.378	1.735	1.755

INTEREST RATES

Euro-currencies (3-month offered rate)	May 15	Prev
£	12 11/16	12 11/16
SwFr	5⅜	5 5/16
DM	5⅝	5⅝
FFr	10¼	10¼
FT London Interbank fixing (offered rate)		
3-month U.S.$	8¼	8 5/16
6-month U.S.$	8½	8⅝
U.S. Fed Funds	8	7⅞
U.S. 3-month CDs	7.85	7.90
U.S. 3-month T-bills	7.40	7.59

U.S BONDS

Treasury	May 15* Price	May 15* Yield	Prev Price	Prev Yield
9⅝ 1987	100 20/32	9.394	100 17/32	9.44
11⅝ 1992	104 23/32	10.734	104 23/32	10.76
11¼ 1995	102 10/32	11.06	102 10/32	11.06
11¼ 2015	101 23/32	11.05	101 22/32	11.06
Corporate	May 15* Price	May 15* Yield	Prev Price	Prev Yield
AT & T				
10⅜ June 1990	99	10.60	98¾	10.70
3⅞ July 1990	78	9.35	77¾	9.45
8⅝ May 2000	78⅝	11.75	78⅛	11.85
Xerox				
10⅞ March 1993	96¼	11.30	96	11.40
Diamond Shamrock				
10⅜ May 1993	95¼	11.50	95	11.60
Federated Dept Stores				
10⅞ May 2013	99½	11.73	99¼	11.83
Abbot Lab				
11.80 Feb 2013	100	11.72	99¾	11.82
Alcoa				
12¼ Dec 2012	99¾	12.20	99½	12.30

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	73–18	74–10	73–17	73–23
U.S. Treasury Bills (IMM) $1m points of 100%				
June	92.48	92.64	92.42	92.43
Certificates of Deposit (IMM) $1m points of 100%				
June	91.91	92.05	91.90	91.92
LONDON				
Three-month Eurodollar $1m points of 100%				
June	91.65	91.66	91.58	91.55
20-year Notional Gilt £50,000 32nds of 100%				
June	105–14	105–18	105–07	105–20

COMMODITIES

(London)	May 15	Prev
Silver (spot fixing)	513.95p	515.60p
Copper (cash)	£1,231.00	£1,221.00
Coffee (July)	£2,116.00	£2,105.50
Oil (spot Arabian light)	$26.95	$26.95

LONDON

Equities gain confidence near peak

EQUITIES in London yesterday shrugged off the nervousness that they displayed in the previous session as institutional buyers returned and a slightly easier sterling rate against the dollar channelled funds towards internationals, which in turn firmed up other blue chips.

By the close the FT Ordinary index was 10.0 higher at 1,022.3, just 2.3 points away from its all time high.

BTR added 20p to 757p after announcing U.S. disposals, while W.H. Smith gained 8p to 232p in another busy day for stores. Associated Dairies' successful placing of 27m shares added 4p to its price to 158p.

Conventional gilts suffered late weakness as funds were switched to index-linked issues and small initial gains were replaced by minor losses in places.

Chief price changes, Page 40; Details; Page 41; Share information service, Pages 42-43

AUSTRALIA

THE EXPECTED profit-taking materialised in Sydney as the All Ordinaries index retreated from its new peak with a 2.9 drop to 895.4.

The government spending cuts, however, injected a measure of support for prices and some industrial issues showed gains on the day.

Market leader BHP fell 14 cents to A$6.48 after announcing plans to proceed with development of the Jabiru offshore oilfield, while Western Mining lost 6 cents to A$4.38.

Media issues were busy, with News Corp 16 cents down to A$7.70 while Riverina TV added 30 cents to A$13 after the Paul Ramsey Group announced a A$12.70 per share offer for the group compared with Koitaki's earlier offer of A$12.20 per share.

SINGAPORE

THE SURGE in Singapore prices was deemed largely technical following the recent cautious advances, and the Straits Times industrial index held onto a 10.18 gain to close at 814.42.

Genting featured in active trading that took it 20 cents higher to S$6.25 while OCBC picked up 5 cents to S$9.10 and DBS lost 5 cents to S$6.25.

The property sector was particularly strong as Singapore Land made further progress with an 18-cent rally to S$3, UOL advanced 5 cents to S$2.12 and City Development edged 1 cent higher to S$1.34.

HONG KONG

A LACK of buying incentives combined with light profit-taking in Hong Kong left the Hang Seng index 2.39 off at 1,612.61 during the regular half-day session.

Among leading shares, Hutchison Whampoa and Jardine Matheson both shed 10 cents to HK$24.60 and HK$11.80 respectively while Hongkong Land lost 15 cents to HK$5.90. Cheung Kong and China Light both managed to finish steady at HK$17 and HK$15.80 respectively.

SOUTH AFRICA

THE WEAKER bullion priced deflated Johannesburg gold shares although selling was not intense.

Vaal Reefs suffered a hefty R4 decline to R193, while Blyvoors dropped 50 cents to R15.

Mining financials and other miners eased in sympathy with Anglo American, 45 cents off at R28.75, diamond leader De Beers, 5 cents cheaper at R10.70, and Impala Platinum, 55 cents down at R21.20.

CANADA

EARLY WEAKNESS was overcome in Toronto as interest focused on a number of resource issues.

Dome Petroleum topped the most active list and picked up 10 cents to C$3.30, Torstar traded C$⅛ higher to C$23¼ and Bow Valley Resources moved C$½ up to C$18. Seagram gained C$⅞ to C$57⅞.

TOKYO

Blue chips bear brunt of selling

HEAVY selling sent many blue chips tumbling in Tokyo yesterday, prompted by a predicted downturn in leading semiconductor makers' profits, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average slumped 146.17 to 12,358.03. Volume increased a little to 398m shares from Tuesday's 381m. Losses outnumbered gains 501 to 298, with 133 issues unchanged.

The Nomura Research Institute forecast that the combined recurring profits of six leading semiconductor makers for the year ending next March would total Y727bn ($2.91bn), a drop from Y728bn for the previous year, due to falling semiconductor prices. The six are Toshiba, Mitsubishi Electric, NEC, Hitachi, Fujitsu and Oki Electric.

This triggered a rush of selling with Hitachi losing Y19 to Y772 and NEC Y50 to Y1,010 – new lows for the year. Mitsubishi Electric declined Y2 to Y392, Fujitsu dropped Y70 to Y1,100 and Toshiba closed Y16 lower at Y366. Oki Electric fell Y10 to Y600.

The sell-off spread rapidly to include other blue chips, which declined in sympathy. Fanuc suffered a Y340 setback to Y8,650, while TDK finished at Y5,140, down Y180. Pioneer lost Y110 to Y1,960.

However, incentive-backed issues gained ground. Nippon Yusen topped the active list with 25.68m shares changing hands as it gained Y10 to Y262. Market sources said investor interest in the shipping issue was apparently due to diversification plans. There were also suggestions that speculators were buying.

Nippon Yakin rose Y7 at one stage but closed Y6 lower at Y414. It was the third busiest with 10.99m shares traded, attracting attention apparently as a new materials-related stock. It also drew speculative interest because of the narrowing gap between its margin buying and selling balances.

Brisk department store sales encouraged investors to buy apparel makers such as Kashiyama and Renown, which added Y20 to Y680 and Y22 to Y672, respectively. Among asset-rich stocks, Mitsui Warehouse gained Y15 to Y319 and Yomiuri Land advanced Y65 to Y716.

However, high-priced stocks were sold, with Kokusai Denshin Denwa, the nation's international telecommunications monopoly, dropping Y790 to Y31,000. Mochida Pharmaceutical shed Y490 to Y10,210.

Foreign selling through the four largest brokerage houses totalled 26m shares, compared with buying of 14.5m.

On the bond market, the 7.3 per cent government bonds maturing in December 1993 were sold, but other issues firmed slightly. The benchmark bond drew selling as its yield dropped fast to 6.565 per cent on Tuesday.

EUROPE

Paris record as base rate declines

THE DECISION by another two French banks to cut their base lending rates gave the impetus for a broad-based advance in Paris, carrying key indicators to record levels.

The CAC General index moved to its third successive peak with a 0.9 rise to 221.6, while the Indicateur de Tendence firmed 1.2 to 123.1 with rises outnumbering declines 98 to 62 by the close of trading.

In a move expected to stimulate domestic consumption, Credit Lyonnais and Credit Commercial de France, two of the country's largest nationalised banks, announced ¼ percentage point reductions in their base lending rates. That followed similar steps by two other banks on Tuesday.

Trading in construction groups was further enlivened by the announcement of planned reforms in the mortgage market and other measures to support the construction industry. Prominent among the advances were Bouygues with a FFr 14 rise to FFr 769 and Lafarge-Coppée up FFr 10 to FFr 550 – both records for the year.

Despite a dip in quarterly turnover Peugeot added FFr 2 to FFr 347, while Michelin eased FFr 1 to FFr 933 on thin turnover.

Drinks groups were strongly sought. Moët-Hennessy posted the single largest rise, adding FFr 50 to FFr 1,895 with Pernod gathering support to finish FFr 23 up at FFr 724.

Au Printemps stood out in a well backed retail sector and climbed FFr 20.10 to FFr 260.10, ahead of mildly encouraging national retail sales figures for April.

A further flow of confidence surfaced in **Milan** after the outcome of the local elections, leaving indicators at historic highs.

Olivetti benefited from news that it was to acquire a 49 per cent stake in the West German computer group, Start, and rose L100 to L6,620. Montedison's sharp reduction in losses left it holding a L 2 improvement to L1,660.

Italcementi's steep annual earnings improvement inspired confidence and it closed up L550 at L92,000.

Stockholm remained heavily under the influence of gloomy economic forecasts and prices retreated for the fourth consecutive day. With declines outpacing advances by 151 to 14 the Veckans Affarer index dropped 6.8 to a year-low of 478.3.

Investors appeared particularly nervous about prospects of export-orientated groups as the impact of the strike among public-sector workers began to impede shipments out of the country.

Volvo fell a further SKr 7 to SKr 235, while Electrolux's increasing problems at Zanussi, its Italian subsidiary, drove it SKr 10 lower to SKr 296.

Profit-taking in **Frankfurt** trimmed back the previous day's improvement, taking the Commerzbank index back from its record level with a 0.7 dip to 1,262.9.

Car maker Daimler was the main talking point as its proposed purchase of Dornier moved closer to fruition. Its shares ended DM 10 higher at DM 714.

Bonds firmed 10 or 20 basis points and the Bundesbank sold paper into the market but the amount was not disclosed.

The second cut in little over a week in the Belgian discount rate pushed **Brussels** higher, while foreign interest, apparently spurred by recent strong Swiss corporate profits, left **Zurich** ahead in moderate trading. **Amsterdam** closed mixed on light trading.

Madrid was closed for a national holiday.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	16	AAR	.48	2.8	13	338	17	16⅞	17	+⅛
19	9⅜	AGS			13	71	15	14⅞	15	+⅜
17⅝	9⅝	AMCA				19	11¼	11⅛	11⅛	−⅛
21½	13¾	AMF	.50	2.6	54	1880	19⅜	18¾	19	−⅛
45	24¼	AMR			10	4020	44⅜	43½	43⅞	+⅜
21⅜	18⅝	AMR pf2.18		11.		1063	21	20¾	20¾	
25⅞	22⅞	ANR pf2.67		11.		2	23⅞	23⅞	23⅞	
23	19	ANR pf2.12		11.		52	20⅛	19⅝	20⅛	+½
14¼	7¾	APL			40	89	9½	8⅞	9⅛	−⅝
65¼	44⅜	ASA		23.9		425	51⅞	51⅛	51⅜	−⅝
27	14⅛	AVX	.32	1.9	13	304	17⅜	16½	16¾	+½
24⅞	16	AZP	2.72	12.	7	1232	23⅝	23⅜	23⅜	−⅛
54	36¾	AbtLab	1.40	2.7	15	1750	52¾	52⅛	52⅛	
25⅞	17	AccoWd	.44	2.0	17	55	22⅛	21⅞	21⅞	−⅛
21⅛	12½	AcmeC	.40	2.9		28	14	13½	13¾	+¼
10½	7⅝	AcmeE	.32b	4.1	10	11	7⅞	7¾	7¾	
17⅝	15	AdaEx	1.92e	11.		128	17	16⅝	17	+⅜
20	11⅞	AdmMl	.32	2.0	6	16	15¾	15⅝	15⅝	−⅛
19½	8⅝	AdvSys	.53t	5.0	17	85	10⅝	10⅜	10½	−⅛
41⅛	25⅛	AMD			12	2448	28⅞	28	28¼	+¼
12¾	6⅞	Advest	.12	1.3		422	9¼	9	9¼	+¼
14⅜	8¾	Aerflex			11	25	12½	12¼	12¼	−⅛
45¼	27¼	AetnLf	2.64	5.9	33	2348	45¼	44⅞	45⅛	+¼
58¼	52⅜	AetL pf5.83e		10.		106	55¾	55⅝	55¾	+⅛
35½	15¾	Ahmns	1.20	3.4	14	1769	u35⅞	34¾	35½	+½
3⅞	2½	Aileen			22	4	2⅞	2⅞	2⅞	
52	38⅝	AirPrd	1.20	2.3	11	1100	51¾	51	51¼	
24⅜	13	AirbFrt	.60	2.8	12	353	21⅞	21½	21⅝	+½
2	1	AlMoa s			23	33	1¾	1⅝	1⅝	
32½	26¾	AlaP pfA3.92		12.		19	u32¾	32	32½	+¼

Continued on Page 39

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
7¼	3⅞	ADI n			20	42	4⅞	4⅝	4¾	
22⅝	12	AMC n	.12	.7	14	52	18	17¾	18	−¼
5⅞	2⅜	AM Intl				304	3⅞	3¾	3⅞	−⅛
80⅝	58	ATT Fd5.07e		6.2		116	u81¾	80¼	81⅛	+⅞
18¼	9¾	Action			32	6	11⅛	11	11	−⅛
7¼	3	Acton				149	3¾	3½	3½	
2	5-16	Actn wt				1	⅜	⅜	⅜	+1-16
3⅜	1½	AdmRs			3	12	2⅛	2	2⅛	
30¼	17¼	AdRusl	.14	.5	20	13	29⅛	28¾	28⅞	−⅛
23½	15	Adobe	.28	1.5	12	91	18¼	18⅛	18⅛	
8¾	4½	Aeronc			14	93	5¾	5⅝	5¾	
45⅝	27⅜	AlliP s	.60	1.3	20	65	u45	44½	45	+1⅞
9¾	5¾	AirExp			23	13	6½	6¼	6½	−⅛
11½	5⅞	AirCal			14	247	9⅜	9	9¼	
11½	9¾	AirCal pf				281	11½	11¼	11½	+⅛
4⅜	1	Alamco			31	151	1½	1¼	1¼	−⅛
101	65½	Alpito n			10	60	96	95¼	96	+¼
10¼	6⅜	AlbaW			35	44	7¼	7⅛	7¼	
8½	6⅜	Aloha				29	6⅞	6¾	6¾	
19	9½	Alphaln .05		.4	22	128	11¾	11½	11⅝	
1	9-16	Altex				373	13-16	¾	13-16	+1-16
28⅝	11	AlzaCp			44	136	25	24⅝	24⅝	−⅝
18⅛	8½	Amdahl .20		1.5	17	1395	13½	13	13¼	−¼
15⅞	6½	Amedco .08		1.1		27	7⅜	7⅜	7½	
9½	4⅞	AmBilt .15		1.6	5	48	9⅜	9⅛	9⅛	−¼
7⅞	4	AmCap			21	40	7	6⅞	6⅞	−⅜
36⅞	12¼	AExp wt				349	u36¾	35¼	36	+1
9	5⅜	AFruc A			13	z500	6½	6½	6½	−⅛
9	5⅝	AFruc B			11	z1300	5⅞	5¾	5¾	
12¼	7⅛	AHltM			12	78	10⅞	10½	10¾	
8	4	Alsrael			2	3	6⅜	6⅜	6⅜	
18⅝	12⅝	AMzeA .52		3.5	32	10	14⅞	14⅝	14⅞	+⅛
18½	12¾	AMzeB .52		3.9	29	15	13⅝	13⅜	13⅜	
2⅞	½	AMBld				795	2	1¾	1¾	
10	3	AmOil			18	2	3⅞	3⅞	3⅞	
[illegible]										

Continued on Page 40

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 38

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
67¼	67¾	VaEl pf8.60		11.		z120	80	80	80	−2
84¼	68½	VaEP pf9.75		12.		z60	83	83	83	+¾
66½	52½	VaE pfJ7.72		12.		z300	65	64	64	−2
62¼	49⅛	VaEP pf7.20		12.		z100	61½	61½	61½	−½
65	51¾	VaEP pf7.45		12.		z430	64½	64¼	64½	+½
21¾	11⅞	Vishay s			15	184	21½	21¼	21¼	
41¾	28	Vornad			11	20	40⅜	40	40	
78	60½	VulcnM 2.80		4.0	11	30	70⅞	70¼	70⅝	+⅛
		W W W								
29¼	22	WICOR 2.30		8.1	8	25	28⅝	28⅜	28½	
37¼	21⅛	Wachv s	1	2.7	11	87	36⅞	36⅝	36¾	−⅛
25¼	16½	Wackht .60		3.2		11	18½	18¼	18½	+¼
10¾	6¼	Wainoc				191	8⅜	8	8⅜	+¼
49⅞	34¾	WalMrt .26		.6	25	949	49½	48½	48⅝	−⅛
27¼	14¼	Walgrns			18	509	26⅝	26⅛	26⅜	
22¾	15⅝	WkHRsg 1.40				396	22⅝	22	22¼	+¼
38½	23¾	WalCSv .45		1.3	17	183	35¾	35½	35¾	+¼
37	22	WaltJm 1.40		4.0	7	723	35⅛	34¾	34¾	−⅛
48⅞	29½	WaltJ pf1.60		3.4		4	46½	46½	46½	+½
27⅞	17¾	Warnco .88		3.7	12	568	23½	21½	23½	+2¼
30½	17	WmCm				5747	28½	27⅞	28¼	+¼
39⅝	26¾	WarnrL 1.48		3.8	13	753	39¼	38⅞	38⅞	−⅛
20½	14¾	WashGs 1.66		8.1	8	95	u20¾	20¼	20½	
28¼	15⅝	WshNatl .08		4.2	8	82	26⅛	26	26	−¼
22¼	16	WshWt 2.48		11.	8	346	u22⅞	22⅛	22⅞	+¾
55¼	27¼	Waste .80		1.5	18	1584	54⅞	54⅛	54⅝	+⅛
28¾	20	WatkJn .36		1.5	11	41	24¾	24½	24⅝	
12¾	8¾	WayGos .20		2.1	9	38	9⅝	9⅛	9⅝	+¼
26	20	WayG pf1.60		8.0		15	20	20	20	
12½	4	WeanU				3	9⅛	9	9	−¼
23⅝	12⅛	WebbD .20e		1.0	14	1731	21	20¼	20¾	+½
40	29⅞	WeisMk .70		1.8	14	15	37⅞	37⅞	37⅞	−⅛
57	30⅞	WellsF 2.40		4.2	8	174	u57⅛	56¾	57	+⅛
49⅞	40	WelF pf4.90e		10.		13	48½	48⅜	48½	
28¼	22⅞	WelFM 2.80		11.	12	50	26⅛	25¾	26	
17⅞	10⅝	Wendys .21		1.3	17	1119	16¾	16½	16⅝	
24¼	16¼	WestCo .44		1.9	14	104	24⅛	23¾	23¾	−⅛
46	34⅝	WstPtP 2.20		6.2	10	63	35⅞	35⅝	35⅝	
12¼	9⅞	WstctT g1.04			30	22	u12½	12¼	12½	+¼
6½	2⅝	WnAirL			78	2257	6¼	6	6¼	+¼
1⅞	¾	WtAir wt				397	1¾	1⅝	1¾	
19	8¼	WAir pf	2	10.		45	u19⅝	18⅞	19⅛	+⅜
19⅞	8¾	WAir pf2.14		11.		44	u20	19½	19½	
10⅞	4	WCNA				709	6⅝	6⅜	6½	
51	47	WCNA pf7.25		15.		10	49	48½	49	
126½	92	WPacl			10	2	122½	122¼	122¼	+¼
25	5¾	WUnion				16872	11⅛	9½	11	+1⅝
60	24⅞	WnUn pf				8	29	27	29	+2½
[illegible]										
18	10¾	WyleLb .32		2.8	9	73	11⅜	11	11⅜	+⅜
23⅝	17	Wynns .60		3.3	7	5	18	17¾	18	
		X Y Z								
49½	33¼	Xerox	3	6.2	20	3145	48⅞	48⅛	48⅝	−⅛
52⅝	45¼	Xerox pf5.45		10.		3	u53¼	53	53¼	+¾
30	24	ZaleCp 1.32		4.7	8	39	27⅞	27½	27⅞	+⅛
24⅜	12⅞	Zapata .84		6.5	25	347	13¼	13	13	−¼
65	32	Zayre .40b		.6	17	882	u66½	64¼	66¼	+2
48½	24	Zayre wi				4	u50	49½	50	+½
30	18⅛	ZenithE			8	1762	20⅞	20⅜	20⅞	+½
21⅞	14⅜	Zero s	.32	1.8	15	2	17¾	17¾	17¾	−¼
31⅜	21⅞	Zurnin 1.32		4.4	11	445	30	29½	30	+¼

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

May 15	Price Sch%	+ or —
Creditanstalt	325	—6
Goesser	480	—25
Interunfall	920	+15
Laenderbank	304	—11
Perlmooser	546	—5
Steyr-Daimler	200	—20
Veitscher Mag	505	—15

BELGIUM/LUXEMBOURG

May 15	Price Frs.	+ or —
B.B.L.	1,946	+5
Banq. Int. A. Lux	6,000	......
Bekaert B.	5,500	......
Ciment CBR	2,400	+15
Cockerill	232	+7
Delhaize	8,850	......
EBES	2,820	+25
Electrobel	8,310	—10
Fabrique Nat	1,885	......
GB Inno BM	5,125	+35
GBL (Brux)	1,915	—20
Gevaert	3,635	+10
Hoboken	5,500	+70
Intercom	2,250	......
Kredietbank	8,310	+100
Pan Hldgs.	11,000	......
Petrofina	5,625	......
Royale Beige	11,750	......
Soc. Gen. Banq	3,290	+15
Soc. Gen. Beige	1,930	+20
Sofina	6,910	......
Solvay	4,280	—20
Stanwick Intl.	1,540	......
Tractionel	3,905	+10
UCB	4,925	+5
Wagon Lits	3,045	+5

DENMARK

May 15	Price Knr %	+ or —
Andelsbanken	291	+3
Baltic Skand	530	......
CopHandelsbank	270xr	+7
D. Sukkerfab	515	......
Danske Bank	302	+6
De Danske Luft	1,125	—30
East Asiatic	213	......
Forenede Brygg.	990	......
Forenede Damp.	133	+3
GNT Hldg	389	......
I.S.S.B.	470	—15
Jyske Band	605	......
Novo Ind	1,526	+10
Privatbanken	267	+6
Provinsbanken	338	+6
Smidth (F)	249	+2
Sophus Berend	1,060	+20
Superfos	453	+3

FRANCE

May 15	Price Frs.	+ or —
Emprunt 4½% 1975	1,670	—20
Emprunt 7% 1973	8,335	—15
Accor	278	—1
Air Liquid	644	+3
BIC	622	+4
Bongrain	1,910	—2
Bouygues	769	+14
BSN Gervais	2,600	+1
CIT-Alcatel	1,372	+26
Carrefour	2,150	......
Club Mediter'n	525xc	—9
Cie Bancaire	614xc	—3
Cofimeg	293	+1.1
Damart	2,343	—2
Darty	1,340	+14
Dumex S.A.	681	—36
Eaux (Cie Gen)	630	—9
Elf-Aquitane	224.7	—4.5
Essilor	2,640	+55
Gen. Occidentale	712	—1
Imetal	121.3	+0.6
Lafarge Coppee	550	+10
L'Oreal	2,550	+20
Legrand	2,185	+90
Maisons Phenix	255	+15
Matra S.A.	1,855	+15
Michelin B.	933	—1
Midi (Cie)	2,495	—20
Moet-Hennessy	1,895	+50
Moulinex	97.9	+0.9
Nord Est.	87	—0.2
Pernod Ricard	724	+23
Perrier	542	—1
Petroles Fra.	271	+1
Peugeot S.A	347	+2
Printempt Aus	260.1	+20.1
Radiotech	295.5	+1.5
Redote	1,430	+31
Rousul-Uclaf	1,785	+15
Sefimeg	360	......
SkisRossgnol	1,575xc	+16
Telemech Elect	2,415	—25
Thomson CSF	536	—5
Valeo	210	—5

GERMANY

May 15	Price Dm.	+ or —
AEG-Telef	116.2	—2.4
Allianz Vers	1258xr	—6
BASF	209.5	+0.5
Bayer	219.2	+1
Bayer-Hypo	351	+5
Bayer-Verein	355xd	—6
BHF-Bank	291	......
BMW	366.5	—3.7
Brown Boveri	210	—1.8
Commerzbank	184	+1.2
Cont'l. Gummi	137.5	—1.8
Daimler-Benz	714	+10
Degussa	347	—4
D'sche Babcock	163	+2
Deutsche Bank	476xd	—16
Dresdner Bank	220xd	—3.5
GHH	152.5	+1
Hochtief	478	+2
Hoechst	220.8	+0.9
Hoesch Werke	109.3	—0.2
Holzmann (P)	427	—7.5
Horten	170	......
Hussel	294	+2
Karstadt	226.8	—1.7
Kaufhof	229	......
KHD	249	—1.2
Kloeckner	72	—0.2
Linde	437	+2
Lufthansa	189.9	+0.7
MAN	144	+0.3
Mannesmann	157	—1.5
Mercedes Hld	626.5	+3
Metallgesel	250	—5
Munech Rueck	1,390	—7
Nixdorf	587	......
Porsche	1190	—9
Preussag	275	......
Rhein West Elect	169	+1
Rosenthal	258	+2
Schering	452	+4
Siemens	548	+1
Thyssen	104.5	+0.5
Varta	194.2	+0.7
Veba	184.5	—1.3
V.E.W.	129.3	+0.3
Verein-West	316	+2
Volkswagen	225.5	—2.5

ITALY

May 15	Price Lira	+ or —
Banco Com'le	19,350	+650
Bastogi-IRBS	214	+4
B.I-Invest	3,580	+60
Centrale	3,158	+28
Credito Varesino	4,420	+365
Fiat	3,190	+54
Finsider	103	+11.5
Generali Assicur.	47,050	+1100
Italcementi	92,000	+550
La Rinascenti	765	+5
Montedison	1,660	+2
Olivetti	6,620	+100
Pirelli Co	4,130	+103
Perelli Spa	2,438	+22
Snia BPD	3,010	+20
Toro Assic	15,100	+150
do Pref	11,499	+304

NETHERLANDS

May 15	Price Fls	+ or —
ACF Holding	204	—2
AEGON	188	—1.5
Ahold	219.5	—2
AKZO	107	—0.6
ABN	430	—1
AMEV	241	—1
AMRO	75.2	—0.3
Bredero Cert	156.5	+2.5
Bos Kalis Westm.	20.9	+1.3
Buehrmann-Tet.	95.5	+0.5
Calland Hldgs.	36.9	—0.3
Dordtsche Pet'm	183	+2
Elsevier NDU	120	—1
Fokker	129	+2
Gist Broades	180.5	—0.7
Heineken	147.8	—1.1
Hoogovens	50.7	—0.5
Int Mueller	50.1	—0.4
KLM	59.7	—0.7
Naarden	50.5	—1
Nat Ned Cert	65.1	—0.7
Ned M'd Bank	168.5	+0.5
Nedlloyd	167	......
Oce Grinten	314	—4
Ommeren (Van)	28.6	—0.3
Pakhoed	64.8	—0.2
Philips	54.3	—0.3
Robeco	72.8	—0.7
Rodamco	139.2	—0.6
Rolinco	67.8	—0.6
Rorento	45.1	—0.1
Royal Dutch	202.7	+3.1
Unilever	349.5	......
VMF Stork	200	+10
VNU	210	—6
West Utr Bank	94	—1.1

NORWAY

May 15	Price Kroner	+ or —
Bergens Bank	145	—0.5
Borregaard	377.5	+3.5
Christiania Bank	140.5	—0.5
DenNorske Cred	149	—0.5
Elkem	145	—0.3
Kvaerner	160	—17.5
Norsk Data	396	—6.5
Norsk Hydro	112	......
Storebrand	262.5	—1.5

SPAIN

May 14	Price Pta%	+ or —
Bco Bilbao	344	......
Bco Central	322	......
Bco Exterior	205	+3
Bco Hispano	163	—1
Bco Popular	365	......
Bco Santander	361	......
Dragados	167	+1
Hidrola	86.2	+1.2
Iberduero	95.2	—1
Petroleos	154.5	—1.2
Telefonica	122.7	+0.5

SWEDEN

May 15	Price Kronor	+ or —
AGA	390	—15
Alfa-Laval	185	—3
ASEA (Free)	336	......
Astra (Free)	450	......
Atlas Copco	109	+1
Cardo (Free)	250	—2
Cellulosa	115	—1
Electrolux B	296	—10
Ericsson	281	—3
Esselte	400	—10
Mo och Domsjo	220	—2
Pharmacia	184	—6
Saab Scania Free	455	......
Sandvik	395	—5
Skandia	307	—9
Skan Enski'da	44.5	......
SKF	212	—3
St Kopparbergs	137	—4
Sven Handlesbn	146	......
Swelvosh Match	206	—4
Volvo B (Free)	235	—7

SWITZERLAND

May 14	Price Frs.	+ or —
Alusuisse	800	......
Bank Leu	3,690	+10
Brown Boveri	1,625	......
Ciba Geigy	3,100	+10
do. (Part Certs)	2,420	—25
Credit Suisse	2,520	—25
Elektrowatt	2,785	—5
Fisher (Geo.)	780	......
Hoff-Roche PtCts	85,000	......
Hoff-Roche 1/10	8,475	—25
Jacobs Suchard	5,850xr	+5
Jelmoli	2,000	......
Landis & Gyr	1,650	......
Nestle	6,575	—40
Oer-Buehrle	1,450	+10
Pirelli	330	—4
Sandoz (Br)	8,000	......
Sandoz (PtCts)	1,400	+10
Schindler (PtCts)	805	—25
Sika	1,180	+30
Surveillance	4,550	+40
Swissair	1,120	+5
Swiss Bank	395	—1
Swiss Reinsce	11,700	—100
Swiss Volksbk	1,510	......
Union Bank	3,770	—20
Winterthur	4,210	+30
Zurich Ins.	25,700	......

AUSTRALIA

May 15	Price Aust $.	+ or —
ANZ Group	4.92	—0.03
Alliance Oil Dev.	1.07	+0.02
Ampol Pet	1.83	+0.01
Ashton	0.96	+0.01
Aust. Cons. Ind.	2.29	+0.05
Aust. Guarantee	2.5	—0.05
Aust. Nat. Inds	2.85	—0.04
APM	2.9	......
Bell Group	7.3	......
Bell Res	7.2	......
Bond Corp Hldgs	1.51	—0.01
Boral	3.22	—0.02
Bougainville	2.36	—0.02
Brambles Inds	3.9	......
Bridge Oil	2.3	—0.05
B.H. Prop	6.48xc	—0.14
CRA	6.62	+0.02
CSR	2.85	—0.07
CastlemaineTys.	6.54	......
Coles (G.J.)	3.83	+0.02
Comalco "A"	2.4	......
Consolidated Pet	0.45	+0.02
Costain Aust.	1.8	......
Dunlop Olympic	2.2	—0.02
Elders IXL	3.00	......
Energ Res	1.46	......

AUSTRALIA (continued)

May 15	Price Aust.$	+ or —
Gen. Pro. Trust	2.28	......
Hardie (James)	3.22	......
Hartogen Energy	3.2	......
Herald W'y Times	4.65	......
ICI Aust	2.06	......
Jimberlana F.P.	0.37	—0.02
Kia Ora Gold	0.17	......
Lend Lease	7.1	+0.1
MIM	3.38	—0.07
Mayne Nickless	3.2	......
Myer Emporium	1.95	+0.05
Nat. Aust. Bank	4.15	+0.05
News	7.7xc	—0.16
Nicholas Kiwi	1.92	—0.03
North Bkn Hill	2.7	—0.03
Oakbridge	1.00	—0.01
Pancont'l	1.92	......
Pioneer Conc.	1.75	......
Poseidon	4.35	—0.1
Queensland Coal	1.62	—0.05
Reckitt & Coln	3.38	—0.02
Repco	1.25	......
Santos	6.2	......
Smith (Howard)	4.7	......
Thos. Natwide	1.96	......
Tooth	6.6	—0.04
Vamgas	4.58	—0.05
Western Mining	4.38	—0.08
Westpac Bank	4.15	......
Woodside Petrol	1.60	—0.01
Woolworths	3.11	......
Wormald Intl.	3.57	—0.01

HONG KONG

May 15	Price H.K.$	+ or —
Bank East Asia	27.5	+0.5
Cheung Kong	17	......
China Light	15.8	......
Evergo	0.81	—0.02
Hang Seng Bank	51.5	+0.5
HK Electric	8.25	—0.05
HK Kowloon Wh.	6.5	—0.05
HK Land	5.9	—0.15
HK Shanghai BK.	8.3xa	+0.05
HK Telephone	90.0	+1.5
Hutchinson Wpa	24.6	—0.1
Jardine Math	11.8	—0.1
New World Dev.	7.1	—0.1
Orient O'seas	2.15	—0.02
Oseas Trust Bk	3.2	......
SHK Props	12.2	—0.1
Shell Elect	1.31	......
Swire Pac A	24.1	+0.1
TV—B	6.6	+0.05
Wheel'k Mard A.	7.3	......
Wheel'k M'time	1.10	......
World Int. Hldns.	2.12	—0.05

JAPAN

May 15	Price Yen	+ or —
Ajisomoto	1,070	......
Alps Electric	1,650	—140
Amada	1,010	—20
Asahi Chem	918	......
Asahi Glass	875	—18
Bridgestone	584	+6
Canon	1,200	—30
Casio Comp	1,640	—30
Chugai Pharm	1,040	......
Citizen	492	—22
Daiei	686	—14
Dai Nippon Ptg	1,030	......
Daiwa House	606	......
Ebara	431	—5
Eisai	1,390	—40
Fanuc	6550xr	—340
Fuji Bank	1,560	—30
Fuji Film	1,700	—10
Fujisawa	978	+3
Fujitsu	1,100	—70
Green Cross	2,510	—140
Hasegawa	382	—18
Heiwa Real Est	857	—29
Hitachi	772	—19
Hitachi Credit	1,120	+10
Honda	1,340	......
House Food	725	+5
Hoya	2,080	—40
Itoh (C)	356	—11
Ito. Yokado	2,670	—20
Iwatsu	949	—20
JACCS	330	+10
JAL	6,700	—150
Jusco	770	—5
Kajima	305	—4
Kao Soap	802	—1
Kashiyama	680	+20
Kirin	650	—15
Kokuyo	930	+10
Komatsu	457	......
Konishiroku	650	—16
Kubota	342	—3
Kumagai	607	—5
Kyoto Ceramic	4,650	—40
Maeda Const	605	—12
Muakino Milling	1,200	—20
Myakita	1,020	......
Marubeni	303	......
Marudai	570	—5
Marui	1,140	+30
MEI	1,440	—30
M'ta Elec Works	759	+19
M'bishi Bank	1,560	+10
M'bishi	520	+2
M'bishi Elect	392	—2
M'b shi Estate	651	—5

JAPAN (continued)

May 15	Price Yen	+ or —
MHI	268	+4
Mitsui	335	—2
Mitsui Estate	710xc	—2
Mitsukoshi	620	—10
NGK Insulators	870xc	—15
Nihon Cement	278	—12
Nippon Denso	1,310	......
Nippon Elect	1,010	—50
Nippon Express	360	......
Nippon Gakki	1,580	—100
Nippon Kokan	131	+1
Nippon Oil	870xc	—4
Nippon Seiko	570	—9
Nippon Shimpan	570	......
Nippon Steel	143	—1
Nippon Suisan	342	+2
NTV	10400xc	+390
Nippon Yusen	262xc	+10
Nissan Motor	610	—6
Nisshin Flour	507	—15
Nisshin Steel	164	+2
Nomura	1,040	—40
Olympus	1,190	+10
Orient Leasing	2,800	......
Pioneer	1,960	—110
Renown	672	+22
Ricoh	887	—7
Sankyo	1,120	—10
Sanyo Elect	446	—5
Sapporo	447	—3
Sekisui Prefab	643	+3
Seven-Eleven	9,150	—100
Sharp	955	—18
Shimadzu	747xc	—28
Shionogi	725xc	—5
Shiseido	1,150	—30
Sony	4,020	—80
Stanley	850	—18
S'tomo Bank	1,760	......
S'tomo Elect	850	—11
S'tomo Marine	525	+10
S'tomo Metal	143	—2
Taihei Dengyo	485	—7
Taisei Corp.	227	+1
Taisho Pharm	1,100	—50
Takeda	870	......
TDK	5,140	—180
Teijin	433	—1
Teikoku	775	—5
Tokio Marine	844	—4
TBS	796	—19
Tokyo Elect Pwr	1,800	......
Tokyo Gas	190	—3
Tokyo Sanyo	650	—15
Tokyo Style	850	—35
Tokyu Corp	378	—10
Toppan Print	865	—5
Toray	453	—2
Toshiba Elect	366	—16
TOTO	689	—5
Toyo Seikan	850	—35
Toyota Motor	1,250	—30
Victor	1,740	—90
Wacoal	702	+1
Yamaha	740	+9
Yamanouchi	2,850	—100
Yamazaki	572	+17
Yasuda Fire	457	—8
Yokogawa Bdge.	461	—9

SINGAPORE

May 15	Price $	+ or —
Boustead Hldgs.	1.69	+0.02
Cold Storage	2.52	+0.04
DBS	6.25	—0.05
Genting	6.25	+0.2
Haw Par. Bros.	2.24	+0.1
Hong Leong Fin	3.00	+0.05
Inchcape Bhd.	2.41	+0.05
Keppel Shipyard	1.68	+0.03
Malay Banking	6.40	+0.05
Malay Utd. Ind.	2.54	+0.04
Multi Purpose	0.94	......
OCBC	9.10	+0.05
OUB	3.56	......
Public Bank	1.53	......
Sime Darby	2.01	+0.02
Singapore Press	6.10	—0.05
Straits Trdg.	4.52	......
Tat Lee Bk	2.75	+0.05
UOB	4.36	......

SOUTH AFRICA

May 15	Price Rand	+ or —
Abercom	1.55	......
AE&CI	7.85	—0.40
Allied Tech	60.0	......
Anglo Am Coal	45.75	+2.50
Anglo Am Corp	28.60	—0.42
Anglo Am Gold	179	—2.5
Barclays Bank	18.25	......
Barlow Rand	12.1	—0.05
Buffels	84.5	—1
CNA Gallo	2.8	......
Currie Finance	4.2	+0.2
De Beers	10.7	+0.05
Driefontein	52.25	—1.0
FS Geduld	56.5	—0.75
Gold Fields SA	37.00	—0.5
Highveld Steel	4.05	+0.05
Nedbank	13.85	+0.10
OK Bazaars	14.5	+0.25
Protea Hldgs.	2.05	+0.05
Rembrandt	37.5	......
Rust Plat	17.25	......
Safren	16.75	+0.25
Sage Hldgs.	9.2	+0.2
SA Brews	8.05	—0.05
Smith (AG)	24.5	+0.05
Tongaat Hulet	7.1	......
Unisec	5.40	......

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. $ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES

Tr 2% IL 1990	£98⅞	+ ⅝
As Dairies	158	+ 4
BTR	757	+20
BP	563	+13
Comm Union	232	+ 6
Davy Corp.	117	+ 7
Expamet Int'l	113	+10
French Kier	184	+ 8
Glynwed Int'l	198	+ 6
Grand Met	320	+12
Hartwells	108	+ 8
Molynx	74	+ 7
Pentland Inds	950	+35
RHM	160	+ 9
Rank Org	355	+ 8
Sears Hldgs.	98	+ 5
Smith (W.H.) A	232	+ 8
Smith Bros	124	+ 4
Ultramar	242	+12
United Bis	188	+10
Wire & Plastic	98	+ 8

FALLS

Burmah Oil	287	— 8
Christies	575	—15
Clive Discount	58	— 4
Hillards	378	—30
Smith St Aubyn	48	—12
Trusth. Forte	146	— 5

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

CANADA

TORONTO

Prices at 2.30pm May 15

Total sales 8,701,577 shares

MONTREAL

Closing prices May 14

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 39

Continued on Page 44

LONDON STOCK EXCHANGE

MARKET REPORT

Confidence returns and equity index closes within a whisker of all-time high

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Apr 29	May 9	May 10	May 20
May 13	May 30	May 31	June 10
June 3	June 13	June 14	June 24

* "New-time" dealings may take place from 9.30 am two business days earlier.

London equity markets finally showed little trace yesterday of the nervousness which had afflicted much of the previous day's trading session. In the opening trade, investors were cautious but their attitude was more a reflection of the Wall Street trend overnight—the Dow Jones index reversed an early gain to close lower—than concern about a possible repetition of Tuesday's largely speculative sell-off.

A slightly easier sterling exchange rate against the dollar re-directed attention towards international stocks and the firmness of these issues spread to most other leading shares. Institutional interest began to revive as the better tone developed. Markets were further encouraged by news of a successful vendor placing of 27m shares of Associated Dairies. Various institutions bought the stock, paying 147½p a share, only a small discount to the reigning market price. The stock was sold by Scrimgeour Kemp Gee on behalf of merchant bankers Morgan Grenfell which acquired the stake via the recent Asda merger with MFI.

Speculative issues generally recovered with quality stocks, but there were exceptions to the rule. Debenhams, which lost its place as the leading takeover target on Tuesday following Burton's strong disclaimer, traded briskly without managing any noticeable rally. Business activity overall tended to lessen as the session progressed but the price advance continued. Finally the FT Ordinary share index was up 10 points and 2.3 short of its best-ever level, at 1,022.3.

The current strength of U.S. bonds, which mirrors hopes of lower interest rates, gave early support to the Gilt-edged market. Despite the softer pound and the contracting flow of cash to Building Societies, medium and longer-dated stocks edged forward. Index-linked issues also returned to favour on thoughts that the sector could face a re-appraisal if the rate of UK inflation continues to rise; the latest RPI figures are due on Friday.

Conventional Gilts later suffered as some funds were switched to index-linked stocks and the small initial gains disappeared, some to be replaced by minor losses. The two near-dated index-linked stocks were keenly sought and rose ¾ apiece, Treasury 2 per cent 1988 to 112¾ and Treasury 2 per cent 1990 to 98¾.

CU below best

Commercial Union's £17½m first-quarter loss was well below recent pessimistic forecasts and the shares quickly advanced to a new 1985 peak of 236p before reacting late to close a net 6 higher on balance at 232p. Other Composites climbed in sympathy, but also failed to hold their best levels. Sun Alliance finished 10 dearer at 480p, after 485p, while Royals ended the same amount better at 645p, after 648p. Lloyds Brokers made progress in places. Sedgwick added 10 at 382p and Willis Faber 13 at 673p. C. E. Heath hardened a couple of pence to 580p in anticipation of today's annual results. Among Life issues, Legal and General put on 11 to 708p following the annual meeting.

The shock of a slashed final dividend and £0.6m annual deficit saw Smith St Aubyn plummet to a 1985 low of 47p before a close of 12 lower at 48p. Clive, which reports preliminary figures today, dropped 4 to 58p in sympathy, while Union fell 10 to 700p.

Among recently-issued equities, USM-quoted Moorgate Group rose 14 to 170p in belated response to a newsletter recommendation.

Distillers attracted revived speculative attention and touched 301p before settling a net 5 higher at 297p.

The Building sector continued to feature French Kier, up 8 more at 184p, on persistent buying in the wake of the Trafalgar House stake news. Higgs and Hill were 6 firmer at 363p, while a sudden burst of speculative buying lifted A. Monk the same amount to 116p. Baggeridge Brick hardened 4 to 266p following satisfactory interim figures, but recently-firm Ibstock Johnsen slipped 5 to 160p

Chemicals attracted selective buying interest. ICI improved 9 to 757p and Laporte hardened 5 to 430p. Brent Chemicals firmed 2 to 124p following the chairman's confident statement at the annual meeting.

Debenhams, having fallen 21 the previous day on Burton's bid denial, dropped further to 294p in the early stages before rallying on revived speculative support to close only a penny easier on balance at 306p; the recovery was accompanied by suggestions that a £600m management buy-out of the group was still on the cards. Burton, at 470p, lost a penny of Tuesday's rise of 14. Other leading retailers moved higher in belated response to April's impressive retail sales figures. British Home put on 5 to 309p, while Sears, additionally aided by comment on the results, gained the same amount to 98p. Elsewhere, W. H. Smith "A" rose 6 to 232p and similar gains were seen in Grattan, 214p; Harris Queensway, 236p, and Home Charm, 344p. By way of contrast, Moss Bros, 465p, and Our Price, 435p, fell 15 apiece while Owen Owen dipped 10 to 225p.

Interest in the Electrical sector centred on British Telecom which made steady progress to close 3 firmer at a new peak of 166p. Elsewhere, acquisition news and the proposed rights issue left Emess Lighting 5 higher at 220p. Molynx, still reflecting the recent good results, put on 7 more to 74p, but Suter eased 5 to 135p on the proposed £11.7m rights issue. Cable and Wireless revived with a rise of 10 to 595p and MK Electric advanced 8 more to 283p.

Leading Engineers rarely strayed from their overnight closing levels, but a number of bright spots developed elsewhere. Wire and Plastic, enlivened recently by the Robl and Sorrell stake, advanced 8 to 98p, while Glynwed responded to the encouraging tenor of the chairman's statement with a gain of 6 to 198p. Davy Corporation, in which Trafalgar House has a stake, met with a flurry of demand late and closed 7 to the good at 117p. Birmingham Mint rose 13 more to 233p.

Possible takeover targets figured prominently in the Food sector. Ranks Hovis McDougall revived strongly and rose 9 to 160p, while United Biscuits gained 10 to 186p. On the other hand, a withdrawal of speculative support in the absence of any bid developments prompted a sharp reaction in Hillards which fell 30 to 378p. Elsewhere, Associated Dairies firmed 4 to 158p following the placing of 27m shares at 147½p per share in connection with its agreed merger with MFI Furniture.

Grand Metropolitan were given a strong boost by news of interim profits near the top of expectations and touched 330p prior to closing a net 12 higher at 320p. On the other hand, Trusthouse Forte shed 5 to 146p on talk that a broker had downgraded profit estimates. Ladbroke dipped to 263p following adverse Press comment, but a statement from the company restored confidence and the close was only 3 cheaper on balance at 267p.

BTR feature

BTR were prominent among miscellaneous industrial leaders and advanced to 762p before settling 20 higher at 757p; the chairman announced at the annual meeting the sale of Dunlop Tire of the U.S. Pilkington Brothers, reflecting American buying, put on 15 to 307p, while Glaxo, up ¼ more at £12¼, were assisted by a broker's upgraded profits forecast. Vague talk of a new drug left Fisons 7 dearer at 310p, while Expamet responded to the chairman's encouraging statement at the annual meeting with a rise of 10 to 113p. Buyers reappeared for Pentland, 35 higher at 950p, after the previous day's bout of profit-taking. Barham firmed 10 more to 590p and Consultants rose 5 to 69p following the chairman's optimistic remarks regarding the company's new Bureau Service for stockbrokers. Renewed support lifted Rank Organisation 8 further to 555p, but Christies International remained on offer and fell 15 further to 575p. Sizeable buying again developed of British Aerospace new partly-paid shares which settled 3 firmer at 247p.

GRA Group rose 4 to 67p in belated response to its agreement with Dee Corporation for the sale to Dee of the greater part of the land and buildings at the White City Manchester Stadium for £8.5m.

Hartwells, 8 better at 108p in response to the results and proposed two-for-three scrip issue, provided an isolated firm feature in Motors.

Properties regained composure following the previous day's shake-out. Land Securities, down 14 on Tuesday on disappointment with the net asset value that accompanied the preliminary results, rallied 3 to 300p. MEPC, interim figures due at the end of the month, improved 5 to 308p. Among secondary issues, buyers came in for Regalian, up 4 at 102p. C. H. Beazer were quoted ex rights at 382p, down 8; the new nil-paid shares opened at 40p premium and drifted back to 34p premium.

Harold Ingram were supported up to a new 1985 peak of 160p on cash injection hopes before reacting on profit-taking to close 5 dearer on balance at 140p. Elsewhere in Textiles, Courtaulds improved 2 to 147p; the preliminary results are scheduled for May 28.

Continuing to respond to rumours concerning the possible sale of its Howard Johnson motel and restaurant chain, Imps improved 2 more to 195p, after 197p. Bats rallied 4 at 312p.

Renewed demand ahead of the annual results, expected shortly, helped stockjobbers Smith Bros add 4 more for a two-day gain of 10 at 124p. Elsewhere in Financials, Britannia Arrow rose 3 to 104p and Henderson Administration gained 25 to 715p.

Oils firm

Excellent three-month figures Ultramar and the prospect of good first-quarter figures from British Petroleum made for a firm session in the Oil sector. Awaiting today's results, British Petroleum rose 13 to 563p helped by news of a gas discovery in the Netherlands offshore block P/2a. First-quarter profits at the top end of the range lifted Ultramar 12 to 242p. Recently-subdued Shell rose 10 to 710p; the group's three-month figures are scheduled for May 22. LASMO also gained 10, to 310p, in the wake of the successful rights issue.

Secondary issues were quieter than of late, but Caledonian Offshore continued to attract buyers on takeover hopes and moved up 30 to 505p in a restricted market.

Profit-taking in Golds

Relatively buoyant over the past week, mining markets finally encountered profit-taking and prices gave ground across the board. The sharemarket's reaction owed more to weaker bullion, finally $3.75 off at $323.25 an oz, than to actual selling pressure.

London operators took heed of easier overnight advices from Wall Street, and, in the absence of interest from Johannesburg or the Continent, were generally reluctant to take up fresh positions as business wound down in front of today's Ascension Day holiday in many international centres. Share prices consequently drifted lower throughout the session. The FT Gold Mines index closed 14.4 down at 469.9.

Elsewhere, dealings in Witwatersrand Nigel were suspended with the price at 47½p; the shares have performed nervously of late following reports of problems concerning the company's accounts.

London-domiciled Financials lost ground in line with bullion. Charter gave up 4 to 201p, while Consolidated Gold Fields eased 8 to 555p.

The lower bullion price also took its toll of "down-under" Golds. Poseidon were 10 lower at 238p, Emperor 7 off at 220p, and Gold Mines of Kalgoorlie 13 cheaper at 550p. Mr Paul Keating's mini-Budget had a minimal effect on leading resource stocks which were affected more by the easier tone in Sydney and Melbourne markets. Losses of 6 were common to Western Mining, 237p, and CRA, 380p.

Total contracts done in Traded Options amounted to 8,550. The introduction of dealings in British Aerospace options saw 636 calls and 574 puts struck, the majority of the latter being transacted in the August 420's. British Telecom recorded 679 calls, 405 in the August 160's, and 483 puts. Commercial Union and Grand Metropolitan recorded 903 and 765 calls respectively following the respective first-quarter and mid-term results.

FINANCIAL TIMES STOCK INDICES

	May 15	May 14	May 13	May 10	May 9	May 8	year ago
Government Secs.	80.57	80.72	80.61	80.30	80.06	80.08	79.97
Fixed Interest	85.50	85.63	85.62	85.51	85.32	85.33	84.72
Ordinary	1022.3	1012.3	1016.9	1001.9	991.1	988.5	879.4
Gold Mines	496.9	511.3	497.1	483.9	491.9	478.5	627.5
Ord. Div. Yield	4.47	4.52	4.50	4.56	4.60	4.61	4.46
Earnings, Yld.% (full)	11.22	11.36	11.28	11.45	11.57	11.59	10.35
P/E Ratio (net) (*)	10.86	10.73	10.80	10.64	10.53	10.51	11.65
Total bargains (Est.)	28,607	29,361	27,877	27,236	24,896	24,319	23,488
Equity turnover £m.	—	487.0	439.7	514.46	397.49	346.69	283.91
Equity bargains	—	39,398	25,923	†27,246	22,865	21,863	18,894
Shares traded (ml)	—	257.7	288.8	229.7	217.6	180.0	149.8

10 am 1013.0, 11 am 1016.7, Noon 1018.1, 1 pm 1018.8, 2 pm 1018.6, 3 pm 1019.5.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=10.54.

HIGHS AND LOWS / S.E. ACTIVITY INDICES

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low		May 14	May 13
Govt. Secs.	82.00 (18/4)	78.02 (28/1)	127.4 (9/1/35)	49.18 (3/1/75)	Daily Gilt Edged Bargains	154.3	138.7
Fixed Int.	86.19 (22/4)	82.17 (25/1)	150.4 (28/11/47)	50.53 (3/1/75)	Equities Bargains	190.5	168.0
					Value	984.3	888.7
Ordinary	1024.5 (22/4)	928.7 (4/1)	1024.5 (22/4/85)	49.4 (26/6/40)	5-day Average Gilt Edged Bargains	145.2	144.7
Gold Mines	556.9 (15/4)	439.5 (25/1)	734.7 (15/2/83)	43.5 (26/10/71)	Equities Bargains	165.0	156.6
					Value	883.4	832.7

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (101)

BRITISH FUNDS (3)
AMERICANS (2)
BANKS (1)
BREWERS (1)
BUILDINGS (5)
CHEMICALS (2)
STORES (9)
ELECTRICALS (5)
ENGINEERING (6)
FOODS (2)
HOTELS (2)
INDUSTRIALS (19)
INSURANCE (10)
LEISURE (2)
MOTORS (3)
NEWSPAPERS (2)
PROPERTY (4)
TEXTILES (3)
TRUSTS (14)
OILS (2)
MINES (3)

NEW LOWS (39)

AMERICANS (4)
BASIX Corp. IU Internatl.
Campbell Soup TRW Inc.
BANKS (1)
Smith St Aubyn
BREWERS (1)
Bell (Arthur) 9¼pc Cnv. 1999-2001
STORES (1)
Gee (Cecil)
ELECTRICALS (8)
ASEA AB B Renishaw
Micro Focus TDK Corp.
NEC Corp. Telefusion
Quest Automation Toshiba Corp.
INDUSTRIALS (9)
Alfa-Laval AB B Rivlin (J. D. & S.)
Applied Computer Securicor
Assoc. Brit. Eng. Do. A N-V
French (Thos.) Security Services
Kean & Scott
LEISURE (1)
21st Century Dist.
NEWSPAPERS (1)
Internatl. Thomson
PROPERTY (1)
Wingate Prop. Inv.
SHIPPING (1)
Common Bros.
TEXTILES (4)
Lister Nottingham Mfg.
Lyles (S.) Sirdar
TRUSTS (3)
Cambrian Genl. Cap. Authority Inv.
Dualvest Inc.
OILS (1)
Jackson Explrtn.
MINES (3)
Southern Goldfields Sungei Besi
Malaysian Mining

RISES AND FALLS

	Rises	Falls	Same
British Funds	17	37	53
Corpns. Dom. and Foreign Bonds	9	2	64
Industrials	289	239	920
Fin. and Props.	116	121	311
Oils	23	31	71
Plantations	2	3	12
Mines	11	95	74
Others	41	67	129
Totals	508	595	1,634

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BTR	757	+20
Bowater Inds	279	−3
Commercial Union	232	+6
Debenhams	306	−1
Distillers	297	+5
Grand Metropolitan	320	+12
Hillards	378	−30
Ladbroke	267	−3
Nova Inds B	£20¾	−1⅛
Smith St Aubyn	48	−12
Trusthouse Forte	146	−5
Ultramar	242	+12

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Wed May 15 1985 — Tues May 14 — Mon May 13 — Fri May 10 — Year ago (approx.)

[illegible]

FIXED INTEREST

[illegible]

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
May 7	May 17	Aug 8	Aug 19
May 20	June 7	Aug 29	Sept 9
June 10	June 21	Sept 12	Sept 23

For rate indications see end of Share Information Service

Stocks favoured for the call included Polly Peck, Falcon Resources, Raglan Property Trust, Bristol Oil and Minerals, Energy Capital, Habit Precision, Vosper, ACT, Barratt Developments and Combined Technologies. Puts were taken out in Brengreen and Falcon Resources. No doubles were reported.

TUESDAY'S ACTIVE STOCKS

[illegible]

EUROPEAN OPTIONS EXCHANGE

[illegible]

LONDON TRADED OPTIONS

[illegible]

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT.-BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING, TIMBER, ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Finance

[illegible]

Australians

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. R Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	100	.....	Arnott	169xd	.....
Craig & Rose £1	£9	.....	CPI Hldgs	50	.....
Finlay Pkg. 5p	59xd	.....	Carrol Inds.	119	+½
Higsons Brew	157	.....	Dublin Gas	51	.....
Holt (Jos) 25p	750xd	.....	Hall (R. & H.)	55	.....
IoM Stm. £1	80	−7	Heiton Hldgs.	15	.....
IRISH			Irish Ropes	43	.....
Exch. 12% 1985	£100	.....	Jacob (W.& R.)	75xd	+4
Nat. 9¾% 84/89	£90	.....	Unidare	83	.....
Fin. 13% 97/02	£98½	+¼			

OPTIONS — 3-month call rates

Industrials	p				
Allied-Lyons	16	GKN	17	Turner Newall	10
BAT	32	Hanson Tst.	17½	Unilever	85
BOC Grp.	25	Hawker Sidd	38	Vickers	19
BSR	16	Hse of Fraser	30	**Property**	
BTR	52	ICI	60	Brit Land	12
Babcock	14	"Imps"	18	Cap Counties	18
Barclays	48	Jaguar	28	Land Secs	25
Beecham	32	Ladbroke	24	MEPC	28
Blue Circle	45	Legal & Gen.	50	Peachey	22
Boots	15	Lex Service	28	Samuel Props	14
Bowaters	20	Lloyds Bank	45	**Oils**	
Brit Aerospace	33	Lucas Inds.	25	Brit. Oil & Min	4
Brit. Telecom	11	Marks & Spcr	11	Brit Petroleum	42
Brown (J.)	3	Midland Bk	38	Burmah Oil	13
Burton Ord	39	NEI	8	Charterhall	6
Cadburys	14	Nat West Bk.	68	Premier	5
Comm Union	19	P & O Dfd.	36	Shell	60
Courtaulds	12½	Plessey	17	Tricentrol	18
Debenhams	17½	Polly Peck	26	Ultramar	19
Distillers	28	Racal Elect	18	**Mines**	
Dunlop	6	RHM	11	Charter Cons	18
FNFC	8½	Rank Org Ord	32	Cons Gold	44
Gen Accident	45	Reed Intnl	50	Lonrho	14
Gen Electric	17	Sears	8	Rio T Zinc	56
Glaxo	85	TI	20		
Grand Met.	25	Tesco	20		
GUS 'A'	60	Thorn EMI	35		
Guardian	60	Trust Houses	13		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 43

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

WORLD STOCK MARKETS

OVER-THE-COUNTER

Continued from Page 40

Continued on Page 50

Indices

NEW YORK-DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

RISES AND FALLS

New York Active Stocks

TORONTO

* Indicates pre-close figure

** Saturday May 11: Japan Nikkei-Dow (c), TSE (c).

Base values of all indices are 100 except JSE Gold—255.7, JSE Industrials—264.3, and Australia All Ordinary and Metals—500, NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

BUSINESS LAW

The only way to achieve reform since Parliament cannot find time for it

By A. H. HERMANN, Legal Correspondent

AN UNUSUAL birthday party was held in the House of Lords recently. The birthday child, 10 years old, was the report of the committee under Lord Renton—the host—on the preparation of legislation.

The party, where the long-suffering Statute Law Society was much in evidence, heard predictably reassuring and congratulatory speeches. Yet an observer, keenly aware of the real world outside, felt that if all this high-powered goodwill had achieved so little, the only remedy was likely to be extra-parliamentary action.

In a message to the birthday party, Mrs Margaret Thatcher, the Prime Minister, expressed the view that, thanks to the Renton Report, legislation "of fuliginous obscurity and dark and obscure prolixity"—quoting Lord Justice Mackinnon on the Trade Marks Act—was now increasingly rare. Lord Whitelaw, the Lord President of the Council, who read Mrs Thatcher's message, opened the keyhole to the cabinet room a little when describing the promises, not to be believed, by which ministers tried to gain more time when pressed to supply overdue instructions to parliamentary draftsmen.

Lord Renton said that the report—a bestseller when published—was implemented by the Australian Parliament, and over the past 10 years has been referred to in Westminster more often than any other report presented to Parliament. Half of its 81 recommendations involving change had been fully or mainly implemented. A pessimist would note that the other half had been ignored.

Unfortunately, on reading recent statutes, one thinks more often of those recommendations which have been ignored than of those which have been implemented. There is a vast literature in print, or produced privately for in-house use, which translates statutes into plain English. This applies not only to Finance Acts, notorious for their convoluted incomprehensibility. Even trade union legislation, which one would expect to be understandable to every trade unionist, drives judges to distraction.

Could it be the fault of parliamentary draftsmen alone? Both Lord Renton and Lord Whitelaw seem to believe in the precept: "Let's praise them and they will improve." In spite of lavish praise, however, the staff of the Office of the Parliamentary Counsel has failed to take the side of the angels and continues to bedevil the statutes with unbelievably complicated circumlocutions.

The draftsmen could hardly persevere in their ways if they did not have massive support: the government departments instructing them seem often more concerned to eliminate certain remotely possible interpretations than to ensure that the main intent of legislation is clearly expressed. Sometimes, they are grateful if it is not too obvious to backbenchers in parliament.

The legal profession thrives on obscurity, operating a costly translation service, not to speak of profitable litigation. Even the academics, who should know better, support the parliamentary draftsmen by doing exactly the same. Thus, one can read in the sample of Criminal Code drafts§, presented to the Law Commission by a distinguished team of academic lawyers:

> Section 26 (2). Evidence of voluntary intoxication shall be taken into account in determining whether a person acted with a fault element (however described) consisting in a state of mind other than recklessness or heedlessness.

This makes it rather difficult to say whether one may have another drink or not.

Nor are the shortcomings of legislation limited to the form of words used. Its very substance often causes difficulties where it should prevent them. English arbitration law, according to a recent decision* of the Court of Appeal, does not regard an arbitration agreement as mutually abandoned even if both parties remained silent and inactive for nine years. The difficulty with protecting industrial designs under the Copyright Act† has kept courts busy over the past 15 years but nothing has been done to reform the law.

Another deficiency in the law reported recently in this column‡, concerns the liability for hidden defects, a matter which should alarm every householder. There are many other unsolved problems which remain so because Parliament does not seem able to reconcile the opposed sectional interests involved, and the general public has no lobbying machinery.

The Press is not without blame, either. Reports of the Bradford soccer ground disaster can fill three pages of a national newspaper, but if the defective legislation which allows clubs to escape fire prevention obligations was ever mentioned in print, it was done so innocuously that hardly anyone noticed.

Extra-parliamentary action should come into play and, as a first step, trade associations could redraft their standard contracts

What is to be done? If British motor cars are in short supply or too expensive, imports soar. The same applies to legislation. Indeed, we are witnessing growing imports of law, not only from the EEC but also from other sources. The reform of company law is driven step-by-step by EEC directives. These influence the development of intellectual property legislation, insolvency legislation and of industrial standards, and not always favourably. The Uncitral Model Law of Arbitration is relied on to provide an opportunity for a restatement of English arbitration law.

There is nothing very new or offensive in relying on imported law. The rest of Europe—and Scotland—shopped massively in Italy when Justinian's version of Roman law reappeared on the market after an absence of some centuries.

However, the piecemeal imports of law we are now experiencing are very different from the adoption of a coherent system formulated by Justinian and his law commissioners. They can serve as a stop-gap, but the incongruous nature of the individual elements imported from abroad may lead to even more difficulties. What is needed badly, to provide certainty for businesses, is a comprehensive commercial code, but there seems to be no hope that Parliament would find time for such an exercise in the near future.

And that is where extra-parliamentary action should come into play. As a first step, the trade associations could redraft their standard contracts, including the charterparty texts, to make their meaning clear and explicit. This process could take into account the innumerable decisions of the Commercial Court and of the Court of Appeal, which have been wrestling with the obscurities of the contracts for decades.

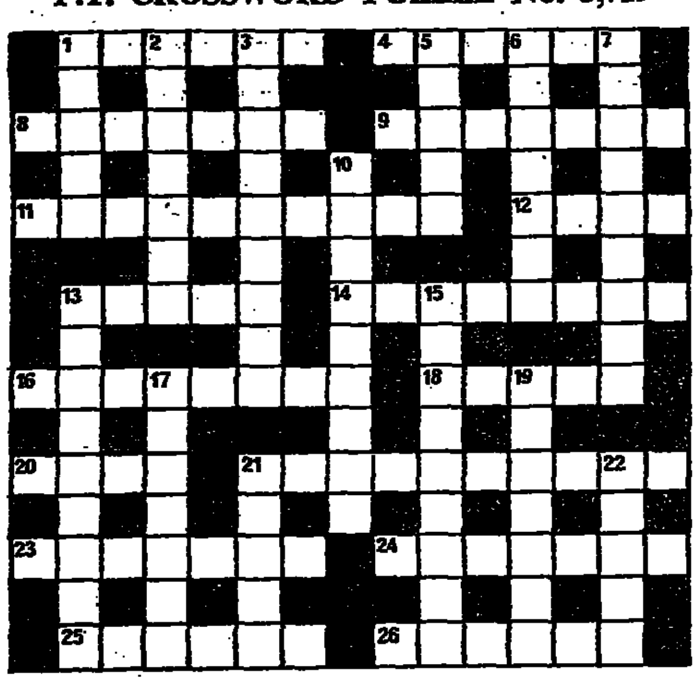
In the same way, the arbitration clauses of the contracts, as well as that used by the Chartered Institute of Arbitrators, could be expanded so as to give arbitrators the powers which they cannot derive from Arbitration Acts, such as to award interest on debts paid with delay and to terminate arbitration or the validity of the arbitration clause, if either one or both parties remain inactive for years.

Simultaneously, work could be initiated by business institutions, such as the CBI, chambers of commerce, trade federations, and the Chartered Institute of Arbitrators, on "English commercial terms." That would be a privately-produced commercial code, stating the basic principles which businessmen want applied to the interpretation of contracts and to the assessment of liability for their breach.¶

To make such "Encoterms" applicable, it would be enough to make them a part of the particular contract in the same way as the Incoterms formulated by the International Chamber of Commerce in Paris can be integrated into a foreign trade contract. The business community has to realise that it will have to provide its own law, as it has done so often in the past.

§ Codification of the Criminal Law. HC270. SO. £9.90. 245 pages.
* The Leonidas D. FT Commercial Law Report, April 17 1985.
† This column, May 2 1985.
‡ April 25 1985.
¶ Proposed in Towards a Theory of Contract by A. G. Bischoff, Eastern Press, 1984.

F.T. CROSSWORD PUZZLE No. 5,719



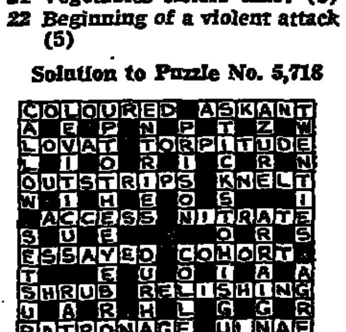
ACROSS

1 Common curses of Venetian origin? (6)
4 A cough-mixture up in the pampas? (6)
8 Look for no capital growth in this area (7)
9 The pitch of the roof (7)
11 Irish spirit in small measure (10)
12 Five-day examination? (4)
13 Twisted roots in trunk (5)
14 Bride of Elwyn Twist, Welsh journalist (8)
16 Gemstone for engagement of Sam and Hetty? (8)
18 Black bloomer of Dumas .... (5)
20 .... flower of dark blues? (4)
21 Muscle used for measuring angles (10)
23 Wooster's spectacle? (7)
24 But the snapper is not one, in the main (7)
25 One by one side (6)
26 Kind of polecat, female, overturning earth in France (6)

DOWN

1 Last we see of Shakespearean conjurer being made bankrupt (5)
2 His excesses are tolerated by the many (7)
3 Subscribers' guide—control Circle Line (9)
5 Foreign article includes invention (5)
6 Land of noble lines (7)
7 Eccentric peer loves to lie in (9)
10 Denunciation of mother-race (9)
13 Arizona's memorial (9)
15 Lower heat, perhaps, in Spring? (5-4)
17 Silk — sort Sue weaves (7)
19 A match for Venus (7)
21 Vegetables sisters take? (5)
22 Beginning of a violent attack (5)

Solution to Puzzle No. 5,718



BASE LENDING RATES

A.B.N. Bank 12½%	■ Hill Samuel .... §12½%
Allied Irish Bank ... 12½%	C. Hoare & Co. 12½%
American Express Bk. 12½%	Hongkong & Shanghai 12½%
■ Henry Ansbacher 12½%	Johnson Matthey Bkrs. 13 %
Amro Bank 12½%	Knowsley & Co. Ltd.... 13½%
Associates Cap. Corp.... 13 %	Lloyds Bank 12½%
Banco de Bilbao 12½%	Edward Manson & Co. 13½%
Bank Hapoalim 12½%	Meghraj & Sons Ltd... 12½%
BCCI 12½%	Midland Bank 12½%
Bank of Ireland 12½%	■ Morgan Grenfell 12½%
Bank of Cyprus 12½%	Mount-Credit Corp. Ltd. 12½%
Bank of India 12½%	National Bk. of Kuwait 12½%
Bank of Scotland 12½%	National Girobank ... 12½%
Banque Belge Ltd. ... 12½%	National Westminster 12½%
Barclays Bank 12½%	Northern Bank Ltd. ... 12½%
Beneficial Trust Ltd.... 13½%	Norwich Gen. Trust ... 12½%
Brit. Bank of Mid. East 12½%	People's Trust .... 14 %
Brown Shipley 12½%	Provincial Trust Ltd.... 13½%
CL Bank Nederland... 12½%	R. Raphael & Sons ... 12½%
Canada Permanent ... 12½%	P. S. Refson 12½%
Cayzer Ltd. 12½%	Roxburghe Guarantee 13½%
Cedar Holdings .... 13 %	Royal Bank of Scotland 12½%
■ Charterhouse Japhet... 12½%	Royal Trust Co. Canada 12½%
Choulartons**	■ J. Henry Schroder Wagg 12½%
Citibank NA 12½%	Standard Chartered ...‖12½%
Citibank Savings ......¶12½%	TCB 12½%
Clydesdale Bank 12½%	Trustee Savings Bank 12½%
C. E. Coates & Co. Ltd. 13½%	United Bank of Kuwait 12½%
Comm. Bk. N. East ... 13 %	United Mizrahi Bank... 12½%
Consolidated Credits... 12½%	Westpac Banking Corp. 13 %
Co-operative Bank *12½%	Whiteaway Laidlaw ... 13½%
The Cyprus Popular Bk. 12½%	Williams & Glyn's ... 12½%
Dunbar & Co. Ltd. ... 12½%	Wintrust Secs. Ltd. ... 12½%
Duncan Lawrie 12½%	Yorkshire Bank 12½%
E. T. Trust .... 13 %	■ Members of the Accepting Houses Committee.
Exeter Trust Ltd. 13½%	* 7 day deposits 9½%. 1 month 10¼%. Top Tier—£2,500+ at 3 months notice 12½%. At call when £10,000+ remains deposited.
First Nat. Fin. Corp.... 13½%	
First Nat. Secs. Ltd. ... 13½%	
■ Robert Fleming & Co. 12½%	‡ Call deposits £1,000 and over 9½% gross.
Robert Fraser & Ptns. 13½%	
Grindlays Bank ....‡12½%	‖ 21-day deposits over £1,000 10¼%.
■ Guinness Mahon 12½%	¶ Mortgage base rate.
■ Hambros Bank 12½%	** See Provincial Trust Ltd.
Heritable & Gen. Trust 12½%	§ Demand deposits 8¾%.

Public Works Loan Board rates

Effective May 15

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* A‡	Non-quota loans A* repaid at maturity§
1	—	—	12	—	—	12⅞
Over 1, up to 2	11¾	11¾	11⅞	12⅜	12⅜	12½
Over 2, up to 3	11¾	11¾	11⅞	12⅜	12⅜	12½
Over 3, up to 4	11⅞	11⅞	11⅞	12⅜	12⅜	12½
Over 4, up to 5	11⅞	11⅞	11⅝	12⅜	12⅜	12¼
Over 5, up to 6	11⅞	11⅞	11⅝	12½	12½	12¼
Over 6, up to 7	11⅝	11⅝	11⅝	12¼	12¼	12¼
Over 7, up to 8	11⅝	11⅝	11⅝	12¼	12¼	12⅛
Over 8, up to 9	11⅝	11⅝	11½	12¼	12¼	12⅛
Over 9, up to 10 ...	11⅝	11½	11⅜	12¼	12⅛	12⅛
Over 10, up to 15 ...	11½	11⅜	11¼	12⅛	12⅛	11⅞
Over 15, up to 25 ...	11⅜	11¼	11	11⅞	11⅞	11⅝
Over 25	11¼	11	10⅞	11⅞	11⅝	11⅝

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard, EC4P 4DX. 01-236 1833

High Income				
Gilts & Fixed Int.	110.1	116.5	+0.2	10.30
High Inc Equity	73.3	78.0xd		5.95
Worldwide Bond	146.2	155.5xd		6.29
Capital Growth				
American Growth	131.8	140.2	-0.4	1.55
Asian Pacific	49.4	52.6	-0.3	—
Assets & Emrg. Tt.	78.3	83.7xd	-1.9	9.46
Capital Reserve	54.4	57.7	+1.3	0.75
Commodity & Energy	75.6	80.9	-0.9	3.1
General	107.2	114.7	+0.6	2.83
Japan	156.4	168.2xd	-2.3	0.00
UK Growth Acc Units	106.7	114.7	+1.3	1.91
U.S. Emerging Co's	55.4	59.3xd	+1.2	0.44
Equitas Prop.	160.3	171.5xd	+0.3	3.01

Aitken Hume
30, City Road, EC1Y 2AY. 01-628 6626

American Tech Fd.	112.6	120.5	+0.3	0.10
Pacific Fd	125.0	133.7	-2.2	0.25
Secured Income Fd	146.0	156.2	+1.4	5.50
Special Sits	171.9	183.9	+0.7	1.56
Energy Fd	38.2	40.8		0.67
American Major	58.0	62.1		1.56
Small Co's Fd (10for1)	30.4	32.5	-0.2	1.97
Jap. Technology	59.4	63.5	+1.2	0.10
International Income	49.5	53.0	+0.2	7.00
Exempt	471.7	504.7	—	

Allied Unit Trusts Limited (a)(g)
Allied Hambro House, Hutton, Brentwood, Essex
Brentwood. (0277) 211459 & 229123

Balanced Trusts and Income Trusts

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

London & Manchester (Tst Mgmt) Ltd
Winslade Park, Exeter, EX5 1DS. 0392 215347.

General Tst.	36.9xd	34.6	−2.2	4.0

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588

American & General	185.7	198.7	−0.4	2.19
(Accum Units)	211.2	226.0	−0.4	2.19
American Recovery	206.7	222.1xd	−2.1	2.12
(Accum Units)	222.6	238.2	−2.1	2.12
American Smllr Co's	48.1	51.5	.....	1.27
(Accum Units)	48.4	51.8		1.27
Australasian	84.9	90.0	−1.8	0.98
(Accum Units)	92.0	97.5	−2.0	0.98
Commodity	191.0	204.4	+1.3	2.45
(Accum Units)	244.1	261.2	+1.5	2.45
Compound Growth	328.2	351.2	+0.9	3.43
Conversion Growth	259.0	274.5	−1.1	2.59
Conversion Income	149.6	158.6	−0.1	6.70
Dividend	295.8	313.6xd	−1.3	5.78
(Accum Units)	837.3	887.5	−3.5	5.78
European	106.4	112.8	−0.2	1.63
(Accum Units)	125.8	133.3	−0.2	1.63
Extra Yield	166.9	176.9	−0.3	6.38
(Accum Units)	343.4	364.0	−0.6	6.38
Far Eastern	146.9	157.2	+0.5	1.33
(Accum Units)	176.4	188.8	+0.7	1.33
Fund of Inv. Tsts.	185.3	196.4xd	+0.6	3.10
(Accum. Units)	285.1	302.2	+0.9	3.10
General	454.2	481.3	−1.0	4.56
(Accum. Units)	921.4	976.7	−1.9	4.56
Gilt Income	55.0	57.8xd	+0.1	10.16
(Accum. Units)	77.8	81.7	+0.2	10.15
Gold	48.2	51.1	+0.1	2.60
(Accum Units)	49.8	52.8	+0.2	2.60
High Income	236.3	250.5	−0.5	6.06
(Accum. Units)	599.6	635.6	−1.5	6.06
International Growth	652.7	691.9	−2.9	3.26
(Accum Uts)	1,014.2	1,075.1	−4.6	3.26
Japan & Gen (Accum)	453.4	482.9	−4.4	0.72
Jap Smllr Cos (Accum)	56.7	60.1xd	−0.2	0.11

Royal Trust Can. Fd. Mgt. Ltd.
48-50, Cannon St, London EC4N 6LD 01-236 6044

Capital Fund	152.3	163.7	−1.3	1.86
Income Fund	125.4	134.8	+0.4	6.8

Prices on May 15. Next dealing day May 31.

SKG Management Limited
20 Copthall Ave, EC2R 7JS. 01-600 7595

Gilt Acc.	104.6	109.0	+0.5	3.68
Do. Dist.	102.8	107.1	+0.4	3.68
Inc & Gwth in Rtmnt	124.3	132.3xd	+2.5	3.00
Do. Accum.	124.3	132.3xd	+2.5	3.00

Save & Prosper Group
28, Western Rd., Romford, RM1 3LB.
68-73 Queen St, Edinburgh EH2 4NX.
(Romford) 0708-66966 or (Edin.) 031-226 7351

International Funds

Capital	85.8	91.7	−0.1	2.14
I.T.U.	67.7	72.4xd	−0.4	3.00
Select International	57.9	61.9xd	−0.2	1.98
Univ. Growth	64.5	68.6xd	−0.4	1.76

Income Funds

High-Yield	117.6	125.1	+0.4	5.67
Scotyield	115.7	123.0	+0.1	4.62
Smaller Cos. Inc. Fd.	116.1	123.5	−0.4	4.90
Gilt & Fxd. Int. Inc.	50.3	53.0		11.67
High Return	134.8	143.3	+0.3	5.50
Income	75.8	80.6	+0.2	6.75

UK Funds

Gilt & Fxd. Int. Grth	71.2	72.0	....	3.50
Scotshares	126.6	134.4	+0.3	4.86
UK Equity	138.8	148.4	+0.4	3.20

Overseas Funds & Sector Funds

Amer Inc & Grth Fd (z)	60.1	64.2xd	....	8.26
European (z)	55.2	58.7	−0.1	1.02
Japan (z)	48.3	51.3	−0.8	—
Japan Smaller Cos (z)	73.8	78.9xd	−0.4	—
S.E. Asia (z)	100.3	106.6	+0.1	1.82

Wardley Unit Trust Managers Ltd (a)
Wardley Hse, 7 Devonshire Sq, EC2. 01-626 4411

American Tst.	62.4	67.2	−0.4	1.8
Far East & Gw Tst.	66.7	71.0	−0.2	1.5
Natural Resources	47.7	50.8	−0.4	3.0
Income Tst.	58.6	63.1xd	+0.4	6.0
Japan Growth Tst.	60.4	65.0	−1.0	0.2
Smaller Cos. Tst.	112.2	120.7	+0.7	1.5
Tchnlgy. Tst.	31.2	33.6xd	−0.1	0.2
Australia Trust	39.1	42.1	−1.0	1.3
UK Trust	98.6	104.9xd	−0.1	2.8

Waverley Asset Management Ltd (a) (c) (g)
13 Charlotte Sq, Edinburgh. 031-225 1551

Australasian Gold	20.3	21.7	−0.5	0.10

City of Edinburgh Life Assurance
46 Charlotte Square, Edinburgh, EH2 4HQ. 031-225 1655

Ivory & Sime Bond			.....

City of Westminster Assurance
Sentry House, 500, Avebury Boulevard, Central Milton Keynes MK9 2LA. Tel. 0908-606101/660888

Current Series

Property Fund	107.0	112.7	..	—
Money Fund	199.8	210.4		—
Managed Fund	335.3	353.0	−0.4	—
Equity Fund	187.4	197.3	−0.3	—
Fixed Interest Fund	126.0	132.7	+0.3	—
Far East Fund	148.4	156.3	−2.0	—
North American Fund	165.2	173.9	−1.2	—
Natural Resources Fund	137.9	145.2	+0.3	—
S.U.N. Flag Fund	101.1	106.5	−0.3	—
Pension Managed Fund	311.5	311.5	+0.6	—

Eagle Star Insur./Midland Assur.
1, Threadneedle St., EC2. 01-588 1212

Eagle/Mid. Units	133.0	138.7	+1.9	4.40

Equitable Life Assurance Society
4 Coleman Street, London EC2R 5AP 01-606 6611

Far Eastern	101.1	106.4	−0.9	—
Fd of Inv. Tsts.	105.9	111.5	+0.4	—
Gilt & Fixed Int.	97.7	102.8		—
High Income	110.4	116.2	−0.1	—
Managed	102.7	108.1	−0.1	—
Money	97.9	103.0		—
North American	98.2	103.4	−0.9	—
Pelican	108.6	114.3	+0.1	—
Property	97.9	103.0		—
Special Sits.	113.5	119.5	+0.3	—

Pension Funds

Far Eastern	101.8	107.2	−1.3	—
Fd. of Inv. Tsts.	108.3	114.0	+0.6	—
Gilt & Fixed Int.	98.1	103.3		—
High Income	114.3	120.3	−0.3	—
Managed	105.2	110.7	−0.1	—
Money	99.9	105.2		—

Hill Samuel Life Assur. Ltd.
NLA Twr, Addiscombe Rd, Croydon. 01-686 4355

Security Fund	197.0	207.4	.....	—
British Fund	193.9	204.2		—
International Fund	205.9	216.8		—
Dollar Fund	173.4	182.6		—
Capital Fund	192.8	203.0		—
Income Fund	224.4	236.5		—
Property Series A	193.1	203.3		—
Property Units	312.6	328.3		—
Financial Fund	172.8	181.9		—
Managed Series A	220.8	232.5		—
Managed Series C	168.7	177.6		—
Managed Units	383.6	403.8		—
High Yield Fund	205.2	216.0		—
Money Series A	156.1	164.4		—
Money Units	199.0	209.5		—
Equity Fund	241.9	254.7		—
Fixed Int. Fund	177.0	186.4		—
Indexed Sec. Fd.	101.7	107.1		—
European Fund	215.7	227.1		—
Natural Resources Fd.	140.9	148.4		—
Far East Fund	257.5	271.1		—
Smaller Cos.	203.0	213.7		—
Spec. Sits Fund	207.8	218.8		—

INSURANCES

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

Money Market Trust Funds

Money Market Bank Accounts

J. Henry Schroder Wagg & Co Ltd
Enterprise House, Portsmouth 0705 827733

Special Acc	12.0	8.97	13.59	Mth
Over £10,000	12.25	9.16	13.90	Mth

Western Trust & Savings Limited
The Moneycentre, Plymouth PL 1SE 0752 24141

High Int Chq Acc	12.69	9.48	

NOTES—Gross rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ● Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

Copper shortfall expected to continue

By Our Commodities Editor

PRODUCTION OF copper is likely to continue running well below consumption this year and possibly next, according to projections at this week's meeting of the International Wrought Copper Council held in Hamburg.

The Council, which brings together representatives of copper consumers in Europe and Japan with delegates from producing countries, noted that as a result of increased consumption and output cuts, there had been a "substantial" statistical deficit of about 375,000 tonnes of copper in 1984. Although production was expected to rise slightly this year, consumption was forecast to be virtually unchanged and as a result there would be a further shortfall of about 30,000 tonnes.

On present indications there would be a similar deficit in 1986

● Metal Marketing Corporation of Zambia (Memaco) has appointed Marubeni Corporation as its exclusive distributors of cobalt in Japan. Memaco expects annual sales in Japan of no less than 300 tonnes will be facilitated.

EEC fails to win butter deal approval

BY WILLIAM DULLFORCE IN GENEVA

THE EUROPEAN Community yesterday failed to obtain authorisation under the General Agreement on Tariffs and Trade (Gatt) to sell some of its surplus butter below the Gatt minimum price.

The EEC has been hoping to sell the Soviet Union and Iran some of the 500,000 tonnes of butter which it calculates will have been in stocks for more than 18 months by next year.

But other dairy exporters—in particular New Zealand — are anxious to ensure that such a sale does not further undermine the Gatt's International Dairy Agreement (IDA), which stipulates minimum prices for international trade in butter, powdered milk and some cheeses.

Last year, the Community caused uproar in the IDA by unilaterally selling more than 100,000 tonnes of "old" butter to the Soviet Union at roughly a third of the minimum price of $1,200 a tonne.

Though it was later granted a waiver fro mthe minimum price obligation for this deal, the Community's action sparked a wave of cut-price sales by other countries, including New Zealand and Australia, and the eventual withdrawal from the IDA by the U.S. and Australia.

Gatt's Dairy Products Council, which supervises the functioning of the IDA, yesterday studied proposals by the EEC for terms on which it could be given another waiver to sell old butter. But a decision was postponed when the representatives of New Zealand and Australia asked for more time to refer the issue to their governments.

The other exporters are looking for guarantees that traditional trade flows will not be disrupted. In coming weeks, the Council will also consider proposals to reduce the minimum prices.

● The Irish Dairy Board increased its exports last year by 41 per cent to I£1.05bn and its group sales were up by 26 per cent to I£809m. Its after-tax profit was unchanged from 1983 at I£2.4m.

Jamaica sets up bauxite marketing

By Our Commodities Staff

THE JAMAICAN Government and Baron Elie de Rothschild, the Swiss financier, have formed a company to market the island's bauxite and buy oil in Europe.

The Jamaica overseas investment corporation, based in Zurich, will have a wholly-owned subsidiary, Jamaica Overseas Marketing, based in London.

Mr Hugh Hart, Jamaica's Mining and Energy Minister, said the Rothschild Bank, owned by Baron de Rothschild, would provide finance for letters of credit.

Mr Hart said two state owned companies, the Petroleum Corporation of Jamaica and the Bauxite and Alumina Trading Company (Batco), would each have 25 per cent holding in the new company, with Baron de Rothschild holding the other 50 per cent.

"All profits will be equally divided between the partners, but any and all losses will be borne entirely by Baron de Rothschild," Mr Hart said.

The Minister said the European m⁄rket had potential for Jamaica's bauxite, and that the local state-owned oil refinery needed more crude as it was operating below capacity.

● Investment demand for platinum as "a store of wealth" has risen strongly during the past three years, according to the first issue of an annual re view, entitled Platinum 85, published yesterday by Johnson Matthey.

The review estimates that since 1982 annual sales of platinum to small investors have risen from 45,000 ounces to 170,000 ounces last year. Demand was stimulated by the launch in Europe of small bars and a 1 oz coin (the Noble) in 1983. Johnson Matthey calculated investor buying was split about equally between bars and coins.

● The Philippines is to set up an 800m peso (£37m) project to produce ethanol from sugar cane in a bid to help the co⁄ntry's distressed sugar industry, President Marcos announced yesterday.

Andrew Gowers reports on a threatened world shortage

Poor crops put pepper in a pickle

THE VOLATILE world of spices has seen more than its fair share of ups and downs in the past few years. But the trade's alarm bells are ringing louder than ever as a result of a worsening shortage of pepper, which has caused wholesale prices to rocket to record levels in recent months.

A disastrous crop last year in Brazil and low harvests in all the three other main producing countries have conspired to bring on the supply squeeze.

Prices of white pepper have doubled and those of black pepper have trebled over the past 18 months. The upward spiral has accelerated in recent weeks, as the extent of the deficit has become clearer. Yesterday, India's Malabar grade one black pepper for delivery in Europe this month was quoted at $3,850 per tonne, Sarawak black pepper was around $3,250 and the more mature white pepper was fetching $3,825.

Meanwhile, the traditional gap between white and black peppers has narrowed significantly.

Estimates of supply and demand in the fragmented and relatively unsophisticated world pepper trade are notoriously unreliable. But pepper brokers and buyers believe that demand is certain to exceed supplies this year by a substantial margin—for the second consecutive season.

"People are talking about a world shortage which may take years to get over," said Mr Michael Clarke, purchasing manager for leading British spice company, Paterson Jenks which sells Schwartz spices.

Worries about a pepper shortage are not entirely new to the world market. As long ago as the autumn of 1983, prices surged following poor crops in Brazil and Indonesia.

It is estimated that supplies in 1983-84 fell below 100,000 tonnes, well short of traditional world consumption of up to 130,000 tonnes. But that season, consumers protected themselves from the full impact of the shortfall by drawing about 20,000 tonnes from a large stockpile built up during the late 1970s, and prices eventually drifted down again.

Following four successive years in which the trade has dipped into stocks, that shield no longer exists, and the market could be facing a shortage of as much as 38,000 tonnes.

Man Producte of Rotterdam, which claims to be the world's biggest pepper dealer, estimates that production will remain well short of demand—at a maximum of 110,000 tonnes—through the next marketing year. Although some other spice traders are a little more sanguine, none of them is predicting adequate supplies.

In a sense, the pepper market is merely feeling the after-effects of years of relatively low prices, which have discouraged production in some countries and led to bad husbandry in others.

Pepper grows on vines which flourish only in tropical climes and at relatively high altitudes. The vast bulk is grown in four areas: Brazil's Amazon basin; Kerala state in southern India; Lampong and Muntock provinces in Indonesia; and Sarawak in Malaysia.

Other producers, such as China, Madagascar and Sri Lanka, account for only a tiny proportion of world output.

But all the big four have had their problems. In Sarawak, output has been declining for several years as farmers have been encouraged to grub up their vines and substitute more lucrative crops such as palm oil and cocoa.

Brazil and Indonesia have suffered from drought, while the crop in India—traditionally the largest producer — was hit by heavy monsoon rains between February and August last year.

In any case, India does not have much available for export on to the world market because of heavy domestic consumption and a barter deal with the Soviet Union which ties up a large proportion of its crop

In the face of these difficulties, the market's only immediate hope of returning to balance is through reduced consumption. But demand for pepper was growing at an annual rate of about 4 per cent in the 1970s, and although growth has levelled off since then to some extent, traders report that sales have not yet been significantly rationed by the higher prices.

One possibility, voiced by a British spice buyer, is that Middle Eastern buyers will sharply reduce their purchases.

But even if that happens, nobody appears to believe that the pressure on the market will ease appreciably this year.

As a result, prices are almost certain to continue rising, at least in the short term. In time, say the spice companies, the increase in the world price will also probably feed through into higher retail prices — although they are keen to point out that in real terms, prices are no higher than they were in the 1950's.

As to what happens after this year, opinions are divided. Optimists point to the possibility of relatively new suppliers such as China dramatically stepping up their production. They also forecast that the present price levels will eventually encourage traditional suppliers to boost output.

Pessimists underline the long lead-times involved in pepper production. It takes three years from planting for the first crop to appear, and the pepper vine does not attain its maximum yield until six years after that.

EXPORTABLE PRODUCTION
(metric tonnes)

	1982-83	1983-84	1984-85
Brazil	40,000	22,000	30,000
India	31,500	22,000	16-18,000
Indonesia	38,000	30,000	26,000
Malaysia	21,000	18,000	17-18,000
Others	4,000	6,000	9,000

Source: Man Producten, Rotterdam

Index aims to fill oil price gap

"The International Petroleum Exchange doesn't intend to make judgmenets on oil industry trends; all we are doing is providing an average price from available data that may become the basis for a new London crude futures contract."

Mr Michael Bowers, chief executive of the IPE, was explaining yesterday why the Exchange had decided to start publishing its own daily price index for 15-day cargoes for Brent blend crude, ex Sullom Voe.

He said the decision to scrap the British National Oil Corporation meant there would be no identifiable pricing basis for Brent. At the same time the rising use of the spot oil market, and the divergence during the winter months of the West Texas Intermediate price in the U.S. from hte rest of the world, had increased interest in an internationally priced crude futures contract.

Many oil trading companies are already using media prices for contract sales and purchases, but the IPE was not prepared to launch a crude contract until it was assured of sufficient support from the industry for the index and a cash settlement market.

The IPE index, which will be based mainly on data from Petroflash, Petroleum Argus and London Oil Reports, will be tested for two months before deciding whether changes are needed or whether to go ahead with a crude contract.

If a cash settlement system proves unacceptable, another idea being investigated is whether one of the big oil trading companies will act as "banker" agreeing to honour, for a fee, any outstanding buy or sell futures transactions due for delivery. This would overcome the problem that the IPE wants to base a crude contract on lots of 1,000 barrels, while the standard cargoes traded of Brent are 600,000 barrels.

● U.S. crude oil stocks fell last week after rising for four consecutive weeks. They declined by nearly 2.6m barrels to 346.8m barrels. This time last year stocks stood at 352.5m barrels, according to the American Petroleum Institute.

Crude oil imports rose slightly to 3.69m barrels, about the same level they were last year. They had dropped to 3m barrels the previous week.

U.S. crude oil production hit the 9m barrel mark for the first time in the recent past.

U.S. seeks Soviet soya deal

The regular twice a year consultations between the U.S. and the Soviet Union scheduled for May 22 and 23 in Moscow may include discussions on U.S. soyabeans, according to Mr John Block, the U.S. secretary of agriculture.

Speaking to the American Soyabean Association, Mr Block said that while soyabeans will not be a point of negotiation, he may discuss the association's request for a specific purchase arrangement for soyabeans under the LTA between the two nations.

The agreement requires the Soviets to buy at least 9m tonnes of U.S. grain each year. It also gives the Soviet Union the option of taking up to 500,000 tonnes of U.S. soyabeans or soyameal instead of 1m tonnes of maize or wheat.

Last autumn the U.S. said that Moscow could buy up to 22m tonnes of grain during the current marketing year, which began on October 1. So far, it has bought about 18.6m tonnes, most of which is maize.

Food research centres axed

Britain's Agricultural and Food Research Council may reduce the number of its research institutes from 27 to 10 as part of a management shake-up proposed in a discussion paper this week.

The plan has been proposed in response to the fall in Government funds available for agricultural research, and is designed to increase the Council's flexibility.

Existing institutes would be amalgamated into large units with specific areas of responsibility, and the number of directors would be reduced from 27 to 10 or fewer.

"We are trying to cut the cost of overheads," said Mr John Jinks, AFRC secretary. "We don't want to end up with 27 half-empty institutes because there is not enough funding."

The Council also wants to devote more attention to the broader field of biotechnology and to research with relevance for developing countries.

LONDON MARKETS

BASE METALS

LME prices supplied by Amalgamated Metal Trading

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	£889-91	+13.5	—
3 months	£912-3	+13.25	913/901

Official closing (am): Cash 885-6 (880-1): three months 908.5-9 (901.5-2): settlement 886 (881). Final Kerb close: 906-09. Turnover: 16575 tonnes.

COPPER

Higher grade	Unofficial close	+ or —	High/Low
Cash	£1230-2	+10	1236/1236
Three m'nths	£1217-.5	+9.5	1222/1204

Official closing (am): Cash 1235-6 (1214-5): three months 1216.5-7 (1210.5-12.5): settlement 1236 (1215). Final Kerb Close: 1217.5-18.

Cathodes			
Cash	£1210-5	+8	—
Three m'nths	£1205-9	+5.5	—

Official closing (am): Cash 1207-15 (1194-6): three months 1204-8 (1193-5): settlement 1215 (1196). Turnover 25575 tonnes. U.S. Producer prices 70.0/74.0 cents per pound.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	£300-1	—2.5	300.5/299
3 months	£302-.5	—2	300.5/300

Official closing (am): Cash 299-.5 (298-.5): three months 300-1 (299-.5): settlement 299.5 (298.5). Final Kerb close: 300.5-01. Turnover: 9250 tonnes. U.S. Spot: 20.0/21.0 cents per pound.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	£4470-80	+55	4480/4400
3 months	£4430-5	+45	4450/4420

Official closing (am): Cash 4460-5 (4440-5): three months 4425-30: settlements 4465 (4445). Final Kerb close: 4430-35. Turnover: 1170 tonnes.

TIN

High grade	Unofficial close (p.m.) £ per tonne	+ or —	High/low for day
Cash	£9608-9610	+77.5	—
3 months	£9475-80	+68	—

Official closing (am): Cash 9480-1 (9440-5): three months 9460-7 (9425-30): settlement 9481 (9445).

MAIN PRICE CHANGES

In tonnes unless otherwise stated

METALS	May 15 1985	+ or —	Month ago
Aluminium	£1100	......	£1100
Free Mkt	$1150/180	+5	$1135/155
Copper			
Cash h Grade	£1231.0	+10	£1216.5
3 mths	£1217.25	—9.5	£1191.25
Gold troy oz	$323.25	—3.75	$328.35
Lead Cash	£300.5	+2.5	£306.5
3 mths	£202.25	+2	£304.25
Nickel			
Free Mkt	249/279c	......	258/268c
Palladium oz	$111.30	—3.1	$112.00
Platinum oz	$279.25	—5.5	$287.25
Quicksilver†	$260/280	......	$280/290
Silver troy oz	513.95p	—1.85	502.20p
3 mths	529.20p	—1.20	517.05p
Tin cash	£9505	+90	£9335
3 mths	£9477.5	+75	£9312.5
Tungsten	$74.36	......	$77.70
Wolfram 22 04lb	$68.71	......	$74/78
Zinc	£661	—4	£707.5
3 mths	$664.5	......	£697.75
Producers	$960	......	$960

OILS	May 15 1985	+ or —	Month ago
Coconut (Phil)	$720	......	$820
Palm Malayan	$630	......	$640
SEEDS			
Copra Phil	$430x	......	$490
Soyabean (U.S.)	$242.	—0.25	$249.5
GRAINS			
Barley Fut. Sep	£99.00	—0.20	£98.80
Maize	£160.00	......	£151.00
Wheat Fut July	£121.00	—1.70	£123.10
No. 2 Hard Wint.	‡	......	‡
OTHERS			
Cocoa Ft. July	£1826	—16.5	£1889
Coffee Ft. July	£2116	+10.5	£2094.5
Cotton A Index	56.05c	—0.35	66.05c
Gas Oil July	$215.25	—1.75	$225.5
Rubber (kilo)	64p	......	65.5p
Sugar (raw)	$97x	—1	$104
Wooltops 64s	486p	......	486pkil

‡ Unquoted. x May-June. z June. † Per 76-lb flask. c Cents a pound.

GOLD

Gold fell $3¾ on the London bullion market yesterday to $323-323½. This was little changed from the opening level of $323½-324, which was also the highest level of the day. The metal was fixed at $322.85 in the morning and $322.75 in the afternoon. It touched a low of $322-322½. Turnover was lower than the previous two days, with traders reluctant to take out new positions until a more established trend has developed in the dollar.

GOLD BULLION (fine ounce) May 15

GRAINS

Old crop wheat was very weak on lack of physical interest and gradually eased in light trading. Barley was also easier and quiet. New crops lost initial small gains in flat trade, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
May	116.60	—1.05	113.50	—0.70
July	121.00	—1.70	—	—
Sept	99.60	—0.20	99.00	—0.20
Nov	102.85	—0.15	102.45	—0.20

U.S. MARKETS

OIL

The crude market lacked direction. June Brent traded at a 10-15c premium over July. Nymex opened 11c down but traded 8c up at noon EST. In the petroleum products market gasoline increased on tight supply and strong demand. Physical gas oil continued to be in demand in N.W. Europe to service barges but prices fell slightly for forward positions. Mediterranean products remained stable despite oversupply and poor demand—Petroleum Argus, London.

HEATING OIL sold off moderately as the API report showed a greater refinery production rate and some build-up in crude stocks, reports Heinold Commodities. Grain and soyabean markets were lightly mixed but mostly under moderate pressure in deferred months going into the close; a high moisture average attracted selling while commercial pressure on the market reflected hedging of country purchases. Precious metals came under pressure in response to general economic bearishness. Copper firmed on expectations of a continued drawdown while aluminium remained steady on the lack of fresh news. Sugar came under modest pressure on poor fundamentals. Cocoa weakened on expectations that increases in the Ghanaian producer price could boost production. Coffee traded mixed on and lacked fresh feature ahead of the European holiday. Cotton was also mixed with scattered short-covering benefitting old crop following sharp losses in recent sessions.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
May	48.90	—	—	48.75
June	49.10	—	—	49.00
July	49.45	49.60	49.30	49.35
Sept	50.20	50.30	50.10	50.15
Dec	51.35	—	—	51.25
Jan	51.70	—	—	51.60
March	52.45	—	—	52.35
May	53.25	—	—	53.15
July	54.05	—	—	53.95
Sept	54.85	—	—	54.75

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
May	2271	2400	2255	2430
July	2110	2156	2107	2165
Sept	2085	2119	2085	2133
Dec	2050	2086	2050	2095
March	2060	2084	2050	2097
May	2070	—	—	2097
July	2085	—	—	2097

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
May	143.37	44.00	43.00	40.00
July	143.42	44.65	43.25	43.87
Sept	144.04	45.25	43.80	44.46
Dec	143.77	45.00	43.35	43.71
March	143.50	44.00	43.50	43.83
May	143.25	43.25	43.25	43.01
July	143.00	43.00	43.00	42.03

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
May	64.65	65.30	64.60	64.20
June	64.90	65.55	65.00	64.45
July	65.35	66.00	65.05	64.90
Sept	65.90	66.50	65.75	65.60
Dec	66.50	67.15	66.40	66.10
Jan	66.70	—	—	66.30
March	67.10	67.55	67.00	66.70
May	67.50	67.80	67.80	67.10
July	67.85	—	—	67.45
Sept	68.20	68.30	68.25	67.80

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
July	64.82	65.15	64.60	64.90
Oct	63.65	63.90	63.51	63.87
Dec	63.76	63.95	63.65	64.05
March	64.80	65.05	64.75	65.15
May	65.40	65.65	65.25	65.95
July	65.70	66.00	65.50	66.32

ORANGE JUICE

	Close	High	Low	Prev
Sept	151.25	51.30	50.50	51.60
Nov	149.35	49.10	49.00	49.80
Jan	148.85	48.90	48.60	49.05
March	148.90	—	—	49.15
May	148.9	—	—	49.15
July	148.90	—	—	49.15

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
May	279.5	—	—	279.8
June	280.4	—	—	280.7
July	282.1	284.5	280.0	282.4
Oct	287.2	289.0	285.5	287.7
Jan	293.1	293.0	291.0	293.6
April	299.1	298.0	298.0	289.6

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
May	654.8	654.0	651.0	657.3
June	657.1	660.5	657.0	660.0
July	661.0	667.5	656.5	664.0
Sept	669.9	676.0	666.0	673.0
Dec	684.2	691.0	680.0	687.4
Jan	689.3	—	—	692.5
March	699.1	700.0	697.0	702.6
May	709.6	711.0	710.6	713.1
July	720.8	723.0	719.0	724.4
Sept	732.8	732.5	732.5	736.5

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
July	3.06	3.10	3.05	3.10
Sept	3.22	3.23	3.21	3.22
Oct	3.31	3.37	3.31	3.35
Jan	3.65	3.70	3.65	3.65
March	4.15	4.19	4.14	4.18
May	4.35	4.40	4.34	4.39
July	4.56	4.60	4.54	4.60
Sept	4.70	—	—	4.75
Oct	4.90	4.90	4.84	4.90

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
June	64.17	64.27	63.47	63.87
August	65.07	65.22	64.37	64.77
Oct	63.15	63.50	62.87	63.10
Dec	64.35	64.55	64.00	64.22

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
May	123.3	124.1	122.4	123.7
July	127.9	128.8	126.8	128.4
August	130.8	131.5	129.8	131.4
Sept	133.5	134.2	132.5	131.4
Oct	136.2	137.0	135.4	134.3
Dec	141.4	142.5	140.8	136.9
Jan	143.3	144.8	143.3	142.4
March	148.5	—	—	144.7
May	152.6	—	—	149.1
July	156.7	—	—	153.1

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
May	30.91	31.45	30.80	31.25
July	29.25	29.95	29.20	29.68
August	28.40	29.05	29.25	28.82
Sept	27.77	28.31	27.75	28.10
Oct	27.00	27.60	27.00	27.32
Dec	26.45	26.95	26.35	26.88
Jan	26.10	26.50	26.10	26.27
March	26.00	26.15	25.88	26.08
May	25.70	25.80	25.70	25.70

WHEAT 5,000 bu min, cents/60 lb-bushel

	Close	High	Low	Prev
May	342.2	343.0	337.2	342.2
July	319.5	321.4	318.0	321.4
Sept	321.0	322.2	320.0	321.6
Dec	332.2	332.6	330.6	332.6
March	336.6	337.4	336.0	337.2
May	327.4	330.0	327.4	328.0

SPOT PRICES—Chicago loose lard 20.00 (same) cents per pound. New York tin 555.0 (same) cents per pound. Handy and Harman silver bullion 653.5 (665.0) cents per troy ounce.

OTHER MARKETS

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 612.5, 628.0, 626.0; July 636.0, 638.0, nil; Oct 620.5, 623.0, nil; Dec 621.0, 626.0, 622.0; March 628.0, 630.0, 629.5-628.5; May 622.0, 640.0, nil; July 642.0, 650.0, nil; Oct 618.0, 625.0, nil. Sales: 15.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg: May 509, 514, 512; Aug 534, 536, 535-534; Oct 534, 536, 535-534; Dec 535, 537, 536-534; Jan 536, 538, 537-536; March 544, 546, 544; May 551, 553, 554-551; Aug 565, 567, 567-564; Oct 565, 568, nil. Sales: 101.

PARIS

SUGAR—(FFr per tonne): Aug 1240/1243, Oct 1255/1260, Dec 1281/1294, Mar 1336/1347, May 1380/1392, Aug 1432/1447.

COCOA—(FFr per 100 kg): May 2075/2077, July 2140 ask, Sept 2110/2110.50, Dec 2052/2056, Mar 2050/2055, May 2070 ask, July 2070 ask.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 167 tonnes. Trading was on moderate lines and activity centred on American and Middle Eastern growths.

HIDES

HIDES—Leeds, Manchester (Birmingham). Second clears. Ox: 31-35.5 kg, 100.0p a kg, 99.7p (99.3p withdrawn); 26-30.5 kg, 110.0p a kg, 110.1p (108.1p); 22-26.5 kg, 123.1p a kg withdrawn, 123.7p (122.8p withdrawn). Cows: under 25.5 kg 116.3p a kg withdrawn, 118.1p withdrawn.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Prime cut hits $ in New York

The dollar recovered a little lost ground on the foreign exchanges yesterday, but weakened soon after the London close following news that Bankers Trust had cut its prime rate by ½ per cent to 10 per cent. The threat of lower U.S. interest rates has overhung the currency for some time, including speculation about a possible reduction in the Federal Reserve's discount rate. Economic figures released so far this week have done nothing to alter this view and may be causing some disappointment to those expecting a sharp rebound in U.S. growth this quarter. Tuesday's retail

Profit taking and short covering ahead of today's religious holiday in Europe pushed the dollar to a peak of DM 3.0840, and it closed in London at DM 3.0770, compared with DM 3.0425 on Tuesday, but within an hour of the finish had lost 2 pfennigs to DM 3.0570 in New York. At the London close the dollar had also advanced to FFr 9.3850 from FFr 9.30; SwFr 2.5785 from SwFr 2.5650; and Y251 from Y249.55.

On Bank of England figures the dollar's index rose to 145.4 from 144.9.

STERLING — Trading range against the dollar in 1985 is 1.2940 to 1.0525. April average 1.2414. Exchange rate index fell 0.1 to 79.1. After opening at 79.1 the index touched a peak of 79.2 at 9 am and then drifted to a low of 78.8 at 2 pm. The rate six months ago was 76.5.

Sterling was on the sidelines as attention remained focused on the dollar. High London interest rates continue to offset and potential weakness in the pound caused by lower oil prices. Sterling lost 1 cent to $1.2630-1.2640 against a generally stronger dollar, and also declined against other major currencies apart from the D-Mark. It fell to FFr 11.8250 from FFr 11.8350; SwFr 3.26 from SwFr 3.2650; and Y317 from Y318, but rose to DM 3.8875 from DM 3.8775.

D-MARK — Trading range against the dollar in 1985 is 3.4510 to 2.9730. April average 3.0856. Exchange rate index 121.9 against 122.4 six months ago.

The D-Mark weakened against the dollar, but finished above its worst levels following a mild reaction to the April U.S. industrial production figures. The fall was slightly disappointing as far as the dollar was concerned, after the currency had shown reasonable recovery during the morning. Covering of short positions ahead of today's Ascension Day holiday in many parts of Europe encouraged early buying of the dollar, but it gave up most of these gains in the afternoon, to close only slightly higher on the day in Frankfurt at DM 3.07 compared with DM 3.0615 on Tuesday. Earlier in the day the Bundesbank did not intervene when the dollar was fixed at DM 3.0835 compared with DM 3.0615 previously.

STERLING INDEX

	May 14	Previous
8.30 am	79.1	78.6
9.00 am	79.2	79.0
10.00 am	79.1	78.9
11.00 am	79.0	78.9
Noon	79.0	78.9
1.00 pm	78.9	78.9
2.00 pm	78.8	78.8
3.00 pm	79.0	78.9
4.00 pm	79.1	79.2

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu May 15	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian franc	44.9008	45.0855	+0.41	+0.50	±1.5471
Danish krone	8.14104	8.05946	−1.00	−0.91	±1.6419
German D-mark	2.24184	2.24007	−0.08	+0.01	±1.1475
French franc	6.87456	6.83091	−0.63	−0.54	±1.3689
Dutch guilder	2.52595	2.53137	+0.21	+0.30	±1.5171
Irish punt	0.72569	0.715717	−1.37	−1.28	±1.6673
Italian lira	1403.49	1429.36	+1.84	+1.84	±4.0410

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ IN NEW YORK

	May 15	prev. close
£Spot	$1.2615-.2625	$1.2705-1.2715
1 month	0.49-0.47pm	0.49-0.48pm
3 months	1.38-1.34pm	1.29-1.27pm
12 months	3.50-3.35pm	3.20-3.13pm

Forward premiums and discounts apply to the U.S. dollar

POUND SPOT—FORWARD AGAINST POUND

May 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2630-1.2696	1.2630-1.2640	0.51-0.48c pm	4.70	1.40-1.35pm	4.35
Canada	1.7280-1.7460	1.7325-1.7375	0.48-0.39c pm	3.00	1.24-1.09pm	2.65
Nethlnd.	4.36-4.39½	4.38-4.39½	2¼-2c pm	5.81	6¼-5¾pm	5.42
Belgium	77.59-78.28	78.00-78.10	26-21c pm	3.61	69-60pm	3.30
Denmark	13.842-13.966	13.94-13.96	4½-3½ore pm	3.44	11¼-10¼pm	3.10
Ireland	1.2312-1.2424	1.2395-1.2405	0.13p pm-par	6.29	0.33-0.14pm	7.58
W. Ger.	3.85-3.89	3.88½-3.89	2½-2¼pf pm	7.33	6½-6¼pm	6.69
Portugal	217.20-223.10	217.78-223.10	100-425c dis	−14.29	330-1225dis	−14.11
Spain	218.05-218.96	218.29-218.92	15c pm-15 dis	—	30-85dis	−1.05
Italy	2,461-2,481	2,473-2,474	2 lire pm-1 dis	0.48	par-5dis	−0.40
Norway	11.156-11.235	11.18-11.19	½-¼ore pm	0.13	¼pm-¾dis	−0.35
France	11.76-11.86	11.82-11.83	2⅞-2⅛c pm	2.60	7-6pm	2.19
Sweden	11.18½-11.27½	11.20¾-11.21¾	3¼-3⅞ore dis	−3.81	9¾-10½dis	−3.63
Japan	314¼-317½	316½-317½	1.75-1.65y pm	6.43	5.00-4.90pm	6.24
Austria	27.09-27.33	27.22-27.29	14⅞-13⅝gro pm	6.15	40⅞-36⅞pm	5.67
Switz.	3.23½-3.27¾	3.25½-3.26½	2⅛-2c pm	7.82	6½-5¾pm	7.28

Belgian rate is for convertible francs. Financial franc 79.40-79.50. Six-month forward dollar 2.30-2.25c pm, 12-month 3.40-3.25c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

May 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2530-1.2695	1.2630-1.2640	0.51-0.48c pm	4.70	1.40-1.35pm	4.35
Ireland†	1.0145-1.0230	1.0170-1.0780	0.39-0.33c pm	4.01	1.03-0.90pm	3.58
Canada	1.3720-1.3750	1.3730-1.3740	0.17-0.19c dis	−1.57	0.61-0.54dis	−1.53
Nethlnd.	3.4610-3.4850	3.4705-3.4715	0.31-0.28c pm	1.02	1.10-1.07pm	2.98
Belgium	61.58-62.09	61.80-61.90	6-7c dis	−1.82	15-17dis	−1.03
Denmark	10.99-11.09	11.05½-11.06½	¾-1¼ore dis	−1.08	3-3½dis	−1.17
W. Ger.	3.0540-3.0840	3.0765-3.0775	0.69-0.64pf pm	2.56	2.05-2.00pm	2.83
Portugal	173½-175	173½-175	150-400c dis	−18.94	450-1150dis	−18.36
Spain	172-173½	172.60-172.85	60-70c dis	−4.50	200-245dis	−5.14
Italy	1,949-1,966	1,960½-1,961½	7-7½ lire dis	−4.42	23-23½dis	−4.75
Norway	8.85½-8.88	8.8645-8.8655	3.05-3.35ore dis	−4.33	9.50-9.80dis	−4.36
France	9.33-9.39	9.38¼-9.38¾	1.55-1.65c dis	−2.04	4.50-4.80dis	−1.98
Sweden	8.87½-8.90	8.9045-8.9055	6.15-6.35ore dis	−8.42	17.75-17.95d	−8.01
Japan	249.60-251.75	250½-251½	0.42-0.38y pm	1.91	1.24-1.19pm	1.93
Austria	21.50-21.67	21.55-21.60	4-2gro pm	1.66	10-6pm	1.48
Switz.	2.5650-2.5980	2.5780-2.5790	0.70-0.64c pm	3.12	2.08-2.02pm	3.17

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 62.05-62.15.

OTHER CURRENCIES

May 15	£	$		£ Note Rates
Argentina Peso	635.66-637.19	504.90-505.30	Austria	27.15-27.45
Australia Dollar	1.8365-1.8405	1.4575-1.4595	Belgium	78.15-79.00
Brazil Cruzeiro	6,521-6,583	5,180-5,200	Denmark	13.90-14.04
Finland Markka	8.0450-8.0735	6.3950-6.4050	France	11.79-11.90
Greek Drachma	169.51-173.29	133.84-136.65	Germany	3.86-3.90
HongKong Dollar	9.8235-9.8335	7.7650-7.7670	Italy	2455-2495
Iran Rial	116.00*	92.50*	Japan	316-321
KuwaitDinar(KD)	0.3825-0.3831	0.30244-0.30254	Netherlands	4.36½-4.40½
Luxembourg Fr	78.00-78.10	61.80-61.90	Norway	11.18-11.29
Malaysia Dollar	3.1265-3.1320	2.4715-2.4735	Portugal	215-228
New Zealand Dlr	2.7710-2.7790	2.2010-2.2060	Spain	211-220½
Saudi Arab Riyal	4.5676-4.5735	3.6108-3.6112	Sweden	11.29-11.33
Singapore Dollar	2.7955-2.8000	2.2090-2.2110	Switzerland	3.26-3.30
Sth African Rand	2.4665-2.4795	1.9625-1.9685	United States	1.26⅛-1.27⅛
U.A.E. Dirham	4.6460-4.6516	3.6720-3.6730	Yugoslavia	510-556

* Selling rate.

CURRENCY MOVEMENTS

May 15	Bank of England Index	Morgan Guaranty Change %
Sterling	79.1	−10.5
U.S. dollar	145.4	+31.1
Canadian dollar	87.4	−7.1
Austrian schilling	113.2	+3.6
Belgian franc	89.3	−10.9
Danish Kroner	77.4	−5.9
Deutsche mark	121.9	+6.6
Swiss franc	139.6	+7.9
Guilder	112.1	+2.9
French franc	65.0	−15.6
Lira	46.4	−16.9
Yen	164.7	+11.5

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

May 15	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.787958	0.578439
U.S. $	8	0.992827	0.728243
Canadian $	9.93	*	1.00185
Austria Sch.	4½	21.4540	15.7446
Belgian Fr.	9½	61.5354	45.0855
Danish Kr.	7	10.9683	8.05946
Dmark	4½	3.06138	2.24007
Guilder	5½	3.45305	2.53137
French Fr	9½	N/A	6.83091
Lira	15½	1951.45	1429.36
Yen	5	248.356	182.570
Norway Kr.	8	8.80141	6.45587
Span'h Pta.	—	N/A	126.059
Swedish K.	11.5	8.88176	6.46136
Swiss Fr.	4	2.57986	1.87887
Greek Dr'ch	20½	134.642	98.7133
Irish Punt	13¾	0.975751	0.715717

*C$/SDR rate for May 13: 1.36219.

EXCHANGE CROSS RATES

May 15	Pound St'rling	U.S. Dollar	Deutschem'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild.	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.264	3.888	317.0	11.83	3.260	4.383	2474.	1.735	78.05
U.S. Dollar	0.791	1.	3.077	250.9	9.359	2.580	3.469	1958.	1.373	61.77
Deutschemark	0.257	0.325	1.	81.54	3.042	0.839	1.127	636.3	0.446	20.08
Japanese Yen 1,000	3.155	3.986	12.26	1000.	37.30	10.28	13.82	7803.	5.475	246.2
French Franc 10	0.846	1.068	3.288	268.1	10.	2.757	3.706	2092.	1.467	66.00
Swiss Franc	0.307	0.388	1.192	97.24	3.627	1.	1.344	758.7	0.532	23.94
Dutch Guilder	0.228	0.288	0.887	72.33	2.698	0.744	1.	564.5	0.396	17.81
Italian Lira 1000	0.404	0.511	1.572	128.2	4.781	1.318	1.772	1000.	0.701	31.55
Canadian Dollar	0.576	0.728	2.241	181.7	6.816	1.879	2.526	1426.	1.	44.99
Belgian Franc 100	1.281	1.619	4.981	406.1	15.15	4.177	5.615	3169.	2.223	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

May 15	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	12⅝-12¾	8-8⅛	8¾-9¼	6⅜-6 9/16	2-2½	5 7/16-5 9/16	10-10⅛	11½-12½	9⅝-9⅞	9¾-10	5 13/16-10 1/16	8½-9
7 day's notice	12 11/16-12 13/16	7 15/16-8 1/16	9-9½	6½-6 11/16	1¾-2	5 7/16-5 9/16	10-10⅛	11⅝-12⅝	9½-9⅝	9¼-9½	6-6⅛	8½-9
Month	12 11/16-12¾	8-8⅛	9⅜-9⅝	6 11/16-6 13/16	4 13/16-4 15/16	5 7/16-5 9/16	10 1/16-10 3/16	11⅝-12⅛	9-9¼	9-9¼	5⅛-5¼	8¾-9¼
Three months	12 9/16-12 11/16	8⅛-8¼	9⅝-9⅞	6¾-6⅞	5-5⅛	5½-5⅝	10⅛-10¼	12¼-12⅝	9⅛-9⅜	9⅛-9⅜	6¼-6⅜	9-9½
Six months	12 9/16-12 11/16	8⅜-8½	9 11/16-9 13/16	6¾-6⅞	5-5⅛	5⅝-5¾	10¼-10⅜	13-13⅝	9¼-9½	9¼-9½	6 7/16-6⅝	9¼-9¾
One year	12⅛-12 5/16	8 13/16-9 1/16	10⅛-10⅜	6¾-6⅞	5-5⅛	5 13/16-5 15/16	10⅝-10⅞	13⅝-14⅛	9⅜-9⅞	9⅝-9⅞	6 7/16-6 9/16	9¾-10¼

Asian $ (closing rates in Singapore): Short-term 8-8⅛ per cent; seven days 8 1/16-8 3/16 per cent; one month 8 1/16-8 3/16 per cent; three months 8 5/16-8 7/16 per cent; six months 8 7/16-8 9/16 per cent; one year 9-9⅛ per cent. Long-term Eurodollars: two years 10-10⅛ per cent; three years 10½-10⅝ per cent; four years 10¾-11 per cent; five years 11-11⅛ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

UK rates little changed in quiet trading

Interest rates showed little overall change in London yesterday. Some dates may have been affected by banks' make up day but despite sterling's steady trend, the market was left with little clear cut idea about the short-term prospects for UK interest rates in view of fears about money supply and inflation. Three-month interbank money was quoted at 12⅝ per cent, unchanged from Tuesday while three-month eligible bank bills were bid at 12 per cent compared with 12 1/32 per cent.

The Bank of England forecast a shortage of around £850m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £700m and Exchequer transactions a further £20m. In addition banks brought forward balances £40m below target and there was a rise in the note circulation of £80m. To help alleviate the shortage the Bank offered an early round of assistance which totalled £46m and comprised purchases of eligible bank bills in band 2 (15-33 days) at 12⅛ per cent.

The forecast was later revised to a shortage of around £900m before taking into account the early help and the Bank gave additional assistance in the morning of £737m. This comprised purchases of £10m of Treasury bills in band 1 (up to 14 days at 12⅛ per cent and also £5m of local authority bills and £3m of eligible bank bills all at 12⅛ per cent. In band 2 it bought £5m of local authority bills and £43m of eligible bank bills all at 12⅛ per cent. In band 3 (34-63 days) it bought £1m of local authority bills and £83m of eligible bank bills at 12⅛ per cent and in band 4 (64-91 days) £23m of eligible bank bills at 12 per cent. It also arranged sale and repurchase agreements on £564m of bills at 12⅛ per cent, unwinding on June 10.

The forecast was again revised, this time back to a shortage of £850m and the Bank gave help in the afternoon of £20m through outright purchases of eligible bank bills in band 2 at 12⅛ per cent. Late assistance amounted to £65m, making a total of £868m.

UK clearing banks base lending rate 12½-12¾ per cent since April 19

MONEY RATES

May 15	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.4-5.5	10⅛	2½-2½	6⅞-7	5.96875	15-15⅝	10.10	12⅜-12⅝
One month	5.65-5.80	10 1/16-10 3/16	4¾-5	6⅞-7	6.28125	14½-14⅞	9 11/16-9¾	12⅝-12⅞
Two months	5.65-5.80	10 1/16-10 3/16	—	—	—	—	—	12½-12¾
Three months	5.70-5.85	10⅛-10¼	4⅞-5⅛	6⅞-7	6.34375	15-15⅝	9¼-9⅜	12½-12¾
Six months	5.75-5.90	10¼-10⅜	—	6⅞-7	—	—	9¼-9½	12⅝-12⅞
Lombard	6.0	—	—	—	—	—	—	—
Intervention	—	10⅛	—	6⅞	—	—	—	—

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

May 15 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	11-14	12⅝	12½-12¾	11-13	—	—	—	—	—
2 days notice	—	—	12⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12⅛-12⅜	12⅝	12¾-12⅞	12½	—	—	—	—	—
One month	12¾-12 11/16	12 11/16-12⅝	12 11/16	12¾	12½	12¼	12 1/16	12 3/32	12¼	12 13/16
Two months	12⅝-12 9/16	12⅝-12¾	12⅝	12 11/16	12¼	12⅛	12 1/16	12 3/32	12⅛	12 13/16
Three months	12½-12⅜	12½-12 11/16	12⅝	12⅝	12	12	11 15/16	12	11 15/16	12⅝
Six months	12 5/16-12 3/16	12 5/16-12 7/16	12 7/16	—	—	—	—	11 13/16	11⅞	12 7/16
Nine months	12⅛-12	12⅛-12 5/16	—	—	—	—	—	—	—	—
One year	12-11⅞	12 1/16-12¼	12 1/16	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	13¼-13	—	12⅝	7.95-7.95	7⅞-8⅛	9 1/16-9 3/16
Two months	13⅛-12⅞	—	12⅝	7.85-8.05	7 15/16-8 1/16	9⅛-9¼
Three months	13-12¾	—	12⅝	8.0-8.1	8-8¼	9¼-9⅜
Six months	12⅞-12⅝	—	12 9/16	8.2-8.3	8⅛-8⅜	9½-9⅝
Nine months	12⅞-12⅝	—	12¼	8.55-8.65	—	—
One year	12 9/16-12 5/16	—	12⅛	8.75-8.85	8½-8¾	9 11/16-9 13/16
Two years	—	11⅞	—	—	—	—
Three years	—	11¾	—	—	—	—
Four years	—	11⅝	—	—	—	—
Five years	—	11⅝	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period April 3 to May 7 (inclusive): 12.787 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 13½ per cent from May 1, 1985. London and Scottish Clearing Bank Rates for lending 12½-12¾ per cent. Bank Deposit Rates for sums at seven days' notice 6.65-7.25 per cent (net). Treasury Bills: Average tender rates of discount 11.8826 per cent. Certificates of Tax Deposit (Series 6): Deposits £100,000 and over held under one month 12⅝ per cent; one-three months 12⅝ per cent; three-six months 12½ per cent; six-nine months 12¼ per cent; nine-12 months 12⅛ per cent. Under £100,000 11⅞ per cent from May 14. Deposits held under Series 5 12¼ per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. May 15)

3 months U.S. dollars	
bid 8 1/8	offer 8 1/4

6 months U.S. dollars	
bid 8 3/8	offer 8 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10-10½
Broker loan rate	9
Fed funds	8
Fed funds at intervention	—

Treasury Bills

One month	7.15
Two month	7.43
Three month	7.45
Six month	7.64
One year	7.84

Treasury Bonds

Two year	100 11/32
Three year	100 20/32
Four year	103¼
Five year	103 14/32
Seven year	104 27/32
10 year	102 14/32
30 year	101 27/32

FINANCIAL FUTURES

Eurodollars firm

Euro-dollar prices were firmer in the London International Financial Futures Exchange yesterday. Early trading had seen prices open on a strong note, reflecting some degree of short covering ahead of U.S. economic statistics due for release in the afternoon. News of a 0.2 per cent fall in industrial production was down from earlier expectations but within the broader limits suggested within the market. Consequently initial reaction was a little half hearted but values were soon marked up as demand gradually increased and values finished towards the day's highs.

A fall of 0.1 per cent in U.S. business inventories also served to underpin suggestions by those in the market that the Federal authorities were unlikely to change their current accommodative stance on monetary policy. This idea was given further support as Bankers Trust reduced its primate rate to 10 per cent from 10½ per cent.

U.S. bond values touched a high in early trading but fell away before being held for a while before participation by Chicago pushed prices to the day's lows. There was some recovery towards the close however and the June contract finished down from the opening but up from Tuesday's closing

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	91.65	91.66	91.58	91.55
Sept	91.04	91.07	90.96	90.93
Dec	90.61	90.64	90.56	90.49
March	90.27	90.31	90.19	90.13
June	89.98	89.99	89.95	89.83

Est volume 5,525 (5,222)
Previous day's open int 19,274 (19,238)

THREE-MONTH STERLING £500,000 points of 100%

	Close	High	Low	Prev
June	87.46	87.54	87.45	87.58
Sept	88.32	88.46	88.29	88.36
Dec	88.73	88.80	88.73	88.80
March	88.95	88.99	88.93	89.02
June	89.00	89.00	89.00	89.12

Est volume 1,203 (1,580)
Previous day's open int 7,231 (7,257)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	105-14	105-18	105-07	105-20
Sept	108-24	108-24	108-23	108-31
Dec	108-30	—	—	109-05
March	108-18	—	—	108-25

Est volume 2,309 (2,978)
Previous day's open int 3,848 (3,605)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) −10 to par (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.2605	1.2650	1.2525	1.2655
Sept	1.2485	1.2500	1.2430	1.2540
Dec	1.2395	1.2414	1.2350	1.2465

Est volume 1 (1,376)
Previous day's open int 8,715 (9,495)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.3268	0.3274	0.3250	0.3283
Sept	0.3292	0.3282	0.3282	0.3307

Est volume 56 (93)
Previous day's open int 231 (286)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.3891	—	—	0.3897
Sept	0.3827	—	—	0.3933

Est volume nil (nil)
Previous day's open int 155 (155)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.3991	0.3993	0.3993	0.4013
Sept	0.4013	—	—	0.4035

Est volume 1 (nil)
Previous day's open int 155 (155)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
June	133.50	133.55	132.40	132.20
Sept	134.10	134.00	133.30	132.80

Est volume 350 (449)
Previous day's open int 1,394 (1,311)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
June	73-24	74-03	73-18	73-21
Sept	72-23	72-28	72-18	72-20

Est volume 1,696 (3,347)
Previous day's open int 3,178 (1,899)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	74-05	74-60	73-17	73-23
Sept	73-04	73-04	72-15	72-22
Dec	72-05	72-08	71-19	71-24
March	—	71-10	70-26	70-30
June	70-18	70-18	70-00	70-06
Sept	69-28	69-28	69-12	19-17
Dec	69-08	69-08	68-27	68-12
March	—	—	—	68-12
June	68-06	68.06	67-27	67-28
Sept	—	—	—	—
Dec	—	—	—	67-01

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	92.61	92.62	92.42	92.43
Sept	92.20	92.22	92.01	92.01
Dec	91.85	91.86	91.69	91.56
March	91.55	91.56	91.41	91.36
June	—	91.31	91.18	91.11
Sept	91.17	91.11	—	90.92
Dec	90.93	90.93	90.80	90.75
March	90.76	90.76	—	90.58

CERT. DEPOSIT (IMM) points of 100%

	Latest	High	Low	Prev
June	92.04	92.04	91.90	91.92
Sept	91.48	91.48	91.32	91.34
Dec	91.04	91.04	90.90	90.88
March	90.65	90.66	90.65	90.51

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.69	91.71	91.55	91.57
Sept	91.11	91.12	90.93	90.97
Dec	—	90.68	90.50	90.51
March	90.31	90.31	90.15	90.14
June	—	90.01	89.85	89.84
Sept	89.75	89.75	89.64	89.59
Dec	89.54	89.54	89.43	89.37
March	89.35	89.35	89.25	89.17

STERLING (IMM) $2 per £

	Latest	High	Low	Prev
June	1.2640	1.2680	1.2520	1.2606
Sept	—	1.2535	1.2395	1.2490
Dec	1.2440	1.2440	1.2300	1.2405
March	—	—	—	—
June	1.2420	1.2420	1.2200	1.2360

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	71-20	71-20	71-08	71-11
Sept	—	70-28	70-16	70-19
Dec	—	—	—	70-00
March	—	—	—	—
June	—	—	—	69-00
Sept	68-25	68-25	68-23	68-19

WORLD STOCK MARKETS

OVER-THE-COUNTER

Continued from Page 44

Stock		Sales (Hnds)	High	Low	Last	Chng
RayEn	.24	11	17¼	17¼	17¼	
Readng		30	20½	20½	20½	−⅛
Recoln		66	6	6½	6	+½
RedknL	.64	23	30½	30½	30½	+¼
Reeves		458	10¾	10½	10⅝	
Relac	t	86	12	11½	12	+¼
RgcyEl	.20	447	6⅝	6⅜	6½	
Regis s	.12	8	14½	14¼	14¼	+¼
ReidAsh		203	7¼	7	7	−¼
ReidLb	.03e	90	4⅝	4⅜	4½	−⅛
Reliab		183	6⅜	6⅛	6⅛	−⅛
Renal		46	4⅛	4	4⅛	−⅛
Repco		19	5⅛	5⅛	5⅛	+⅜
RpAuto	.44	10	9¼	9	9	
RpHlth		408	18⅝	18⅜	18½	
Reshinc	.32a	7	11½	11½	11½	
ResOM		3	3	3	3	
RestrSy		12	14¼	13½	13½	−⅜
Reuters	.15e	126	9⅞	9½	9¾	
ReutrH	.21e	33	28¾	28½	28¾	
ReverA	1.44	6	12⅛	11⅞	11⅞	+⅛
Rexon		29	7¼	7	7	
ReyRey	1.24	31	38¾	38¼	38½	−¼
Rhodes	.24	283	12⅝	12⅛	12⅝	+⅝
Ribilm s		326	7¼	6⅞	7⅛	
RichEl		1	26¾	26¾	26¾	−½
RiggsN	2	11	53	52	53	+1
Ritzys		122	2⅞	2⅝	2¾	+⅛
Rival	.80	224	15¼	14⅞	15	+⅛
RoadS s	1	610	27¾	27¼	27¾	+¼
RobMyr		2	13½	13½	13½	
Robesn	t	149	6⅞	6½	6⅞	+⅜
RobNug	.06	57	13¾	13½	13¾	
RobVsn		18	11	10¾	10¾	−⅛
RckwH	.14j	1	9¼	9¼	9¼	
RMUnd		57	9	8¾	9	+¼
RkMtG	.68	21	11⅝	11⅜	11⅜	−¼
RosesSt	.28a	3	21	21	21	
RoseSB	.28a	48	22¾	22	22½	+½
Rospich	.60	87	19¾	19	19	−¼
Rouse	1.08	4	42¼	42¼	42¼	+½
RoweFr	.12a	6	9¾	9¾	9¾	
RoyBGp		18	1⅞	1⅞	1⅞	
RoyPlm		14	10⅛	9¾	10	
RoylRs		82	6	5¾	5¾	−⅛
RoylAir		12	9¼	9¼	9¼	+⅛
RuleInd		2	4⅝	4⅝	4⅝	+⅛
RustPel		88	16⅛	16	16⅛	
RyanF s		121	18½	18	18½	
S S						
SABHs s	.13	57	9½	9	9¼	+⅛
SAY Ind		188	15¼	15	15	
SCI Sy		264	14⅛	14	14⅛	
SEI		42	16½	16	16	−¼
SFE	.10r	109	9¾	9¼	9½	−½
SP Drug		8	15½	15¼	15½	+¼
SRI	.68	22	18¼	17¾	18	+¼
STV		81	8¼	7¾	8	
Saatchi s		161	24	24	24	+⅛
Safecd s		570	15	14¾	14⅞	+⅛
Safeco	1.60	585	42⅜	42	42	−⅜
SafHlth		601	18¾	18	18½	+¼
StJoe		6	22	22	22	+½
StJude		204	12¾	11½	12¾	+¾
StPaul	3	2367	70¼	69⅝	69⅞	−¼
SalCpt		42	4⅛	4	4	−⅛
SanBar	.05r	6	7½	7½	7½	
SandChf		10	7¼	7¼	7¼	+¼
Satelco		181	1⅝	1⅜	1½	+⅛
SatelSy	.12	33	7¼	7	7¼	
SavnF	1.60a	31	36⅞	35½	36⅞	+⅜
SvBkPS	.84	4	30¼	30¼	30¼	
SaxonO		249	15-16	⅞	15-16	−1-16
ScanOp		223	9¼	9	9⅛	+⅛
ScanTr		12	12	12	12	
Scherer	.32	66	12⅜	12	12	−⅜
Scholas		19	18½	18¼	18¼	−½
SchlmA	.40	602	18¼	17¾	18¼	
Scimed		14	7½	6¾	6¾	−½
SciCmp	.28	33	6⅝	6¼	6⅝	
SciInc s		233	8¼	6¾	7¾	+1
SciMic		157	4¾	4½	4⅝	
SciSft		16	9¼	9¼	9¼	
SciSySv		131	6⅞	6¾	6⅞	+⅛
Scitex		45	16	15¼	15¼	
ScripH	.80	3	39	38¼	38¼	−¾
SeaGal		48	9	8⅞	8⅞	
Seagate		2708	7⅜	7	7⅛	+⅛
SealInc		94	6⅜	6	6¼	
SeawFd	.68	7	17½	16½	17	+½
ScNtBld	1.10	195	17	16	17	+¾
SecNtl	1.20	2	31½	31½	31½	
SecAF s		5	18½	18	18½	
SecBcp	1.12	3	22¾	22⅝	22¾	
SecTag		51	2⅞	2¾	2⅞	+⅛
SEEQ		287	3	3	3	
Seibel	.80	794	22	21½	21½	
Select		2	10½	10½	10½	
Semicn		9	7⅜	7⅜	7⅜	
Sensor	.05	1135	7⅜	7⅛	7¼	

Stock		Sales (Hnds)	High	Low	Last	Chng
Srvmat		48	1¾	1⅝	1⅝	−1-16
SvcMer	.08	1097	13⅞	13½	13¾	+⅛
Svmast	1.12	144	36½	36¼	36½	+⅛
Servico	t	352	22¼	20½	21½	+1
SvcFrct		4	6⅛	6⅛	6⅛	
SevOak	.16	186	14¾	14½	14½	−⅛
ShrMed	.48	812	29	28⅝	28⅞	
Shwmt s	1.68	177	36⅛	35¾	36⅛	+⅛
Shelby s	.16	23	18⅝	18¼	18½	−⅛
Sheldl s		54	13¾	13½	13½	
Shoney s	.15	336	31¾	31⅛	31⅛	−½
ShonSo s		311	14	13¾	14	
Shpsmt	.10e	5	4¾	4¾	4¾	−½
SigmC s		6	7	7	7	
SigmaR		8	4⅛	3⅞	4⅛	+⅛
Silicon		1434	8½	8¼	8½	+⅛
SiliconS		80	12¼	12	12	−⅛
SilicVal		114	16	15¾	16	+¼
Silicnx		190	18¾	18	18¾	
Siltec		304	6¾	6	6⅛	−⅝
SimAir		559	13⅜	13	13	+⅜
Simpln	.80	17	14⅞	14⅞	14⅞	+⅛
Sippln		24	16	15⅝	16	
SisCp		3	4	4	4	−½
Sizzler		340	23½	23	23	−¼
Skipper	.08	42	10⅛	10	10⅛	+⅛
SkyExp		244	3½	3¼	3½	+¼
SloanTc		10	8½	8⅛	8⅛	
SmithL		129	3¼	3⅛	3⅛	
SmithF		19	9	8¾	8¾	−¼
SnelSnl	.40e	1	8¾	8¾	8¾	
Society	1.84	62	45½	45¼	45¼	−½
SoctySv		334	14⅝	14⅛	14⅝	+⅛
Softech		57	7¼	7	7	
SoftwA		154	13⅝	13⅛	13⅝	
SftwPb		33	14¾	14⅝	14⅝	−⅛
SonocP	1.36	10	46½	46½	46½	+½
SonrFd	.30e	57	18½	18½	18½	+⅛
SoMicG	1.52b	6	18⅜	18	18⅜	−⅛
SoBcSC	.88b	37	20¼	19½	19¾	−¼
SCalWt	1.80	53	24½	24	24¼	
SoHosp		174	5⅛	5	5	−¼
SthdFn	.52	208	28	28	28	−¼
Soutrst	1	35	26	25¾	25⅞	−⅛
SwEISv	1.80	4	25¾	25¾	25¾	
Sovrgn	.10	389	6¾	6⅝	6⅝	−⅛
Sovran	1.68	741	44⅝	44	44⅝	+⅝
SpcMic		5	1⅛	1⅛	1⅛	+⅛
SpanA		78	9	8⅞	8⅞	−⅛
Specdy		399	14¼	13¾	14	
Spctran		95	18¼	17¾	18	
SpecCtl	.06	31	6½	6⅜	6½	+⅛
SpertiD		59	2½	2⅜	2⅜	−⅛
Spire		138	15	14⅝	14¾	−½
StarSr s		17	8⅜	8⅛	8⅛	−¼
StafBld	.20	91	5¾	5⅝	5⅝	−⅛
Standy s	1	7	26	25¾	25¾	+¼
StCTob	.50	10	20¾	20¾	20¾	−¼
StdMic		121	15⅛	14⅝	14⅞	+⅜
StdReg	1.20	57	54¾	54¼	54½	−½
Standun		2	6¼	6¼	6¼	−¼
StanfdT		180	13¾	13¼	13¾	+¼
StaStB	1.06	137	61⅜	59¾	61⅜	+1⅝
StateG	.15b	24	5¾	5¾	5¾	+⅛
Steiger		24	6⅛	6	6	
SternL		107	7⅛	7	7⅛	+⅛
StewStv		44	14⅛	14	14⅛	
StewSn	.15	7	3⅛	3⅛	3⅛	+¼
Stifel		50	6¾	6½	6¾	+¼
StckYle	.16	5	14¼	14¼	14¼	+¾
StockSy		60	9¾	9½	9½	−¼
Stratus		110	15	14½	14¾	+¼
StrwCl	1.14	1	54¼	54¼	54¼	+¼
Stryker		144	28¾	28¾	28¾	−¼
StuDS		14	18½	18	18½	+¼
StuartH	.05	5	4¾	4½	4½	−¼
Subaru	1.68	47	136¼	135	136¼	+1½
SubAirl	.05	6	4¼	4¼	4¼	
SubrB	1.92	89	54¼	54	54¼	+¼
Sudbry		68	8⅞	8½	8⅞	
SuffSB	.12a	200	16½	15⅝	16½	+1
Sumito	1.16	1	15¾	15¾	15¾	
Summa		207	3⅛	2⅞	2⅞	−¼
SumtB s	.96	61	21½	21	21½	+½
SumBA pf	2.20	6	47¾	47¾	47¾	+1½
SumtHl	.09e	823	12½	12¼	12⅜	+⅛
Sunair	.24	26	6¼	6⅛	6⅛	
SunMed		28	9¼	9¼	9¼	+¼
SunSL	t	265	6⅝	6	6¼	−⅜
SunstFd		35	4	3¾	3¾	+¼
Snstate		3	14½	14½	14½	−1
SupRte	.18	25	18½	18	18	−¼
SupSky		1	8¾	8¾	8¾	−¼
Suprtex		32	3¼	3⅛	3¼	
SuprEq		27	9	9	9	
SurvTc		98	11½	10¾	11	+⅛
Sykes		241	13-16	¾	¾	−1-16
Symbln		57	3½	3⅜	3⅜	
SymbT		61	11⅞	11⅝	11¾	+⅛
Symblic		632	10¾	10⅝	10⅝	−¼
Syncor		306	4	3⅝	3⅞	+¼
Syntech		313	13⅝	13⅛	13⅜	+⅛
Syntrex		35	4	3⅞	3⅞	
Syscon	.28	402	17¼	16¾	17¼	+¼
SyAsoc		6	24½	24½	24½	
Systin		14	5⅜	5⅜	5⅜	−⅛
SysIntg		167	9¾	9½	9½	−¼
SystGn		12	6¾	6¾	6¾	−¼
Systmt	.04	30	21	20¾	20¾	+¼
T T						
TCA Cb	.12	814	23¾	21¾	22	−1

Stock		Sales (Hnds)	High	Low	Last	Chng
TSI		.082	8	7¼	8	+½
TSR s		149	12¼	11⅜	11⅜	−½
TacViv s		41	6⅝	6⅜	6½	
Tandem		1895	23	22⅝	22¾	+¼
Tandon		5349	4¾	4⅛	4¼	−½
Tchmat s		5	8¾	8	8¾	
TchEqC		14	21½	21½	21½	+1¼
TcCom		1	8¾	8¾	8¾	
Tchinc s	.03	2	8	8	8	+¼
Telco		206	16	15	15¾	+⅝
TlcmA	1	1038	31⅝	31	31⅛	−⅜
TelPlus		1571	10	9½	9½	−½
Telcrft		16	14½	14¼	14¼	−¼
Telecrd	.32	x203	17¾	16¾	16¾	−1
Telepict		265	23¼	23	23	−¼
Telvid		104	2⅞	2⅝	2⅝	−⅛
Telabs		1617	16¼	14	16	+2
Telxon	.01e	68	19¾	19	19½	+½
Temco		7	5	4¾	5	
TmplE		37	2	2	2	−⅛
TndrLv		11	3	2½	3	+¼
Tennant	.82	3	20¾	20¾	20¾	−¼
TeraCp		212	3	2⅛	2¾	−¼
TermDt	t	15	7½	7	7	
Texcon		21	1	15-16	1	+1-16
Textne	.25e	6	16¾	16⅝	16¾	+⅛
TherPr		93	12⅛	11⅞	11⅞	−¼
Thrmd s		261	12⅞	12⅝	12⅝	
Thetfd		69	11	10¾	11	+½
ThrdNt	1.28	1	40¼	40¼	40¼	
TCBYg s		210	29	27	29	+½
Thorin		5	10½	10¼	10¼	
Thortec		225	8	7⅜	8	+¼
ThouT s		1296	17⅞	17¼	17⅝	−¼
3Com		7	8⅞	8⅝	8⅞	+⅛
Timbrld	t	267	6⅛	5⅞	6	−¼
TimeE s		403	12⅜	11¾	12¼	+⅛
TmeFib		230	10⅝	10½	10½	
Tiprary		277	11-16	⅝	11-16	
Tolu s		284	17	16⅝	16⅞	+¼
ToledTr	1.80	11	41	40	41	−½
TotlSy s		7	18¼	17¾	18¼	
TrakAu		2	15½	15¼	15½	+¼
TranLa	1.24	18	20¼	19⅞	20¼	
Trnsdcr	.02r	2	6¾	6¾	6¾	+⅛
Trnsnt		75	2½	2⅜	2⅜	−⅛
TriadSy		158	7⅝	7½	7⅝	
TriMic		50	5¼	5	5¼	+¼
TribCm		30	3⅜	3¼	3⅜	+⅛
TrusJo	.40	1	26½	26½	26½	
TBkGa	1	39	35⅜	35¼	35⅜	+⅛
TrstNY	1.20	6	29¾	29¾	29¾	−¾
TuckDr		53	6¼	6	6¼	+⅛
TwnCty		52	11-16	11-16	11-16	−⅛
Tylan		61	19	18	19	
Tyson s	.08	237	19	18½	18½	−½
U U						
USLIC s	.80	70	21¾	21½	21¾	+⅛
USP RI	2.58e	10	11	11	11	+¼
UTL		87	23¾	23½	23¾	+¼
UltrBcp	1.28	3	32¾	32	32¾	
Ultrsy	.08e	417	7⅜	7⅛	7¼	
Ungmn		976	14½	13½	13¾	−1
Unibc pf	1.58	2	16	16	16	+½
Unifi		332	11⅝	11⅛	11⅜	+⅜
Unikrc s		29	10¾	10¼	10¼	−½
Unimed		29	9½	9½	9½	−¼
UnBcp	1	2	40½	40	40½	−1
UnFedl		250	10¾	10¼	10½	+¼
UnNatl s	1.02	17	23	22¼	23	+½
UnPlntr	1.08t	29	23	22½	22½	−½
UnTrBc	2.40	1	63	63	63	
UnWarn		150	10	10	10	
UACm s	.06	103	16⅞	16⅝	16⅞	+⅛
UBArtz	.88	124	34¼	34	34¼	
UBAlsk	.15r	2	10¾	10½	10½	
UBWsh		68	14⅜	14	14⅛	+¼
UnBkrs	.20b	58	11½	11¼	11½	
UBCol	1.08	33	25⅛	24⅞	24⅞	
UCarBc	1	26	28¾	28½	28¾	+¼
UCnBsh		161	3½	3⅜	3½	+⅛
UCtyGs	1.60	37	18¾	18½	18¾	+¼
UnDom	.92	1	13¾	13¾	13¾	
UnEdS		61	4¼	3⅞	4¼	+⅛
UFnGrp		829	6⅜	6	6⅜	+¼
UFstFd		450	20½	20⅛	20½	
UGrdn	1.64t	27	10¼	10⅛	10⅛	−⅛
UnNMx	.25e	47	10¼	10¼	10¼	
UPresd		354	10¾	10½	10¾	+¼
US Ant		139	4⅛	3 15-16	1-16	
US Bcp	1	1713	28½	28¼	28½	+⅛
US Cap		75	3⅛	2⅞	2⅞	
US Dsgn		394	3½	3¼	3¼	−¼
US Enr		4	6⅝	6⅝	6⅝	−⅛
US HC s	.02	1569	40¼	38¼	39¼	+¾
USHlt		3	9¾	9¾	9¾	+⅛
US Shlt	.12	87	3½	3¼	3½	
US Sur	.20e	578	21⅜	20¼	20¾	+⅜
USTrk	1.28	9	13	13	13	−⅛
US Tr s	1.20	290	31¾	31¼	31¾	+⅜
UStatn	.20	148	25	24	24¼	+¼
UnTelev		82	23	22⅞	22⅞	−⅛
UnTote		4	11⅜	10⅞	11⅜	+½
UnVtBs	.76	1	18¼	18¼	18¼	+¼
UVaBs	1.64	2261	44⅜	42½	44⅜	+1½
UnvDev	.15e	55	24¾	24¾	24¾	
UnvFrn		8	20¼	20¼	20¼	
UnvHlt		1545	17¼	16⅞	17	+⅛
UFSBk		78	12	11¼	11¾	+⅛
UpRght		26	4⅜	4⅜	4⅜	−¼
UFedP	2	51	20¾	20	20	−¼

Stock		Sales (Hnds)	High	Low	Last	Chng
UrgeCr		63	5¼	5⅛	5¼	+⅛
Uscale	.21e	161	4⅝	4⅝	4¾	
UtahBc	1.08	8	27	26½	26½	
V V						
VLI		137	7¼	6¾	7	−¼
VLSI		385	12¾	12½	12¾	
VMX		855	6⅛	5⅝	5¾	−⅜
VSE	.16e	31	10⅜	10⅜	10⅜	−⅛
ValidLg		1886	12¼	10⅜	11	−1¼
Valien		1	16	16	16	
ValyBc	1.08	26	28¾	28	28¼	+¼
ValFSL		69	15¼	15	15	−¼
ValFrg	.12	10	6	6	6	−½
VlNBc s	1.50a	2	44	44	44	+¼
ValNtl	1.20	492	37⅛	36⅞	37⅛	−⅛
Valmnt	.60	3	19½	19½	19½	+¼
Valtek	.09e	17	6½	6⅜	6⅜	
ValLn	.40	111	24¼	24	24	−¼
VanDus	.40	34	13	12¾	13	+¼
VanShk		4	8¼	8¼	8¼	
Vanzetti		52	7⅞	7¾	7¾	−¼
VariCr s		58	7¾	7	7	−¾
Varlen	.80	82	13⅜	13	13	−¼
VectrG		57	11-16	⅝	11-16	
VeloBd s		8	9¼	8¾	9¼	+¼
Ventrex		520	4	3½	3⅞	+¼
VersaT	.20	14	15¾	15¼	15¾	+¼
ViconF		22	2⅜	2⅜	2⅜	
Vicorp	.09e	206	28	27½	27⅞	+¼
VictBn	1	1	25½	25½	25½	+1¼
VictraS		5	3⅛	3	3⅛	+⅛
Vie deFr	.22e	148	10½	9¾	10⅛	−⅝
Viking		27	11¾	11¾	11¾	−½
Viratek		2	18	17½	18	+½
VaBech	.24	1	6½	6½	6½	
VisTech		105	1¼	1	1¼	
Vodavi		370	10⅛	9⅞	10⅛	+¼
VoltInf		40	16½	16¼	16½	−¼
Volvo	.48r	530	26¾	26½	26¾	−⅛
Vortec	.08	2	9¾	9¾	9¾	
Vyquest		16	6⅞	6⅞	6⅞	
W W						
WD40	.88	53	22¾	22	22½	+½
WalbrC	.48	5	30	29	30	
WikrTel		109	6⅞	6⅝	6¾	−⅛
WshE	1.76	337	22¾	22⅛	22⅛	
WFSL s	.80b	60	32¼	31¾	31¾	
WMSB		141	13¾	13½	13⅝	−⅛
WshSc s	.12	87	23¼	22½	22¾	
Watrist	.11	2	6	6	6	
WausPp	.40	24	13	12¾	13	
Waver	.44	22	17½	15¾	17½	+1¼
Wavetk		74	6½	6⅜	6½	
Waxm s	.06	454	13¼	12¼	12¾	+¼
Webb s	.36	33	13½	13	13	−¼
Wedgtn	1.08e	8	8⅛	8	8⅛	+⅜
WeigTr	.30	3	12	12	12	
Welbit s		8	28¾	28¼	28¾	
Wespac	.92e	374	9⅝	9½	9½	−⅛
Wespc 2	.60	67	8½	8	8⅛	+⅛
WAmBc	.70	3	18	17½	18	+½
WestFn		614	14¼	13⅝	14	+⅜
WstCap		1854	13	12¼	12¾	+⅜
WnCmc		100	4⅛	4⅛	4⅛	−¼
WstFSL		646	12⅜	12⅛	12¼	+⅛
WMicTc		21	8¼	8	8¼	+¼
WMicr		61	7¾	7½	7¾	
WtTIA s		39	22¾	22½	22⅝	
WstwdO	.10e	56	28½	28	28½	−¼
WstwdC		48	28¼	27¼	27¾	+¼
Wettra	.88	10	27⅝	27¼	27⅝	
Weynbrg	1.36	1	58	58	58	−2½
Wicat		94	4¼	4⅛	4⅛	
Widcom		1160	6⅛	5¼	5⅞	+½
Wiland		19	5⅞	5⅝	5⅝	−⅛
Wilmt	1.65	76	39¾	39	39¾	+¾
WilWW	.56	2	12	12	12	−¾
WilAL		381	12	11½	11½	−⅝
Wilml	t	32	9½	9	9½	
WingTr	.2	3	58	57	57	
WilsnF		17	7⅞	7⅞	7⅞	−⅛
WilsnH	.20	8	19⅝	19½	19½	−⅛
Wilton		5	3¼	3¼	3¼	−⅛
Windmr	.07	242	6¼	6⅛	6⅛	−⅛
WinnEn		93	6¾	6⅝	6⅝	−⅛
WisSGs	1.44b	4	33½	33	33	+2½
WiserO	.60	166	18⅞	18½	18½	
Wolohn	.16	62	6⅜	6⅜	6⅜	−⅛
WolvT s	.20	8	7⅛	7⅛	7⅛	
Woodhd	.60	12	14½	14¼	14⅛	
Worthg	.64	218	24⅞	24⅝	24⅝	−⅛
WrghtW	.38	48	10¾	10½	10½	
Wyman	.80	11	22¼	22	22	
Wyse		154	10½	10⅜	10⅜	
X Y Z						
Xebec		110	4½	4¼	4½	
Xicor		62	7⅝	7½	7½	−⅛
Xidex		1810	13¾	13½	13⅝	−⅛
YlowFt	1	369	36½	35⅛	36½	+⅜
Zehntel		95	3⅞	3⅝	3¾	
ZenLb s		1258	45¾	42¾	45	−¼
ZenNtl	.88	11	14¼	14	14¼	+¼
Zentec		11	2¾	2¾	2¾	−⅛
Ziegler	.48a	4	11	11	11	
ZionUt	1.24	19	35¾	35¼	35¾	+¼
Ziyad		41	5¾	5¼	5¼	−⅜
Zondivn	.08	23	10	9⅞	9⅞	
Zycad		499	13¼	13	13⅛	+⅛
Zymos		294	2½	2¼	2 5-16	−3-16
vjZytrx		717	¼	⅛	3-16	−1-16